

## **1.0 INTRODUCTION**

The Board of Directors ("the Board") is responsible for the stewardship of the business and affairs of Sunzen Group Berhad ("Sunzen" or "the Company") and its subsidiaries ("Group") on behalf of Sunzen's shareholders with a view to enhance long term shareholders value as well as investors' interest while taking into account the interests of other stakeholders and maintaining high standards of transparency, accountability and integrity.

## **2.0 PURPOSE**

The purpose of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislation and regulations affecting their conduct, and that the principles and practises of good Corporate Governance are applied in all their dealings in respect, and on behalf of, the Company.

In pursuit of the ideals in this Board Charter, the intention is to exceed "minimum legal requirements" with due consideration for recognised standards of best practises locally and internationally. This Board Charter is not an "all inclusive" document and shall be read as a broad expression of principles.

The Board will regularly review this charter and the term of reference of the Board Committees to ensure that they remain consistent with the Board's objectives and responsibilities, and relevant laws, regulations, guidelines and standards of corporate governance.

## **3.0 DUTIES AND FUNCTIONS**

The Board is expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

In carrying out its functions whilst supportive of Management, the Board shall discharge its duties and responsibilities vested in it, which include:

- together with Senior Management<sup>1</sup>, promote good corporate governance culture within the company which reinforces ethical, prudent and professional behaviour;
- review, challenge and decide on Management's proposals for the Company, and monitor its implementation by Management;
- ensure that the strategic plan of the company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- supervise and assess management performance to determine whether the business is being properly managed;

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<sup>1</sup> Senior Management shall refer to those individual(s) who generally holds the highest level of management responsibility and decision making authority within the Group. This will typically include the persons who are primarily responsible for the business operation of the Group's core business and principal subsidiaries and any other persons whom the Directors shall consider as being the key Senior Management.

- ensure there is a sound framework for internal controls and risk management;
- understand the principal risks of the company's business and recognise that business decisions involve the taking of appropriate risks;
- set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- ensure that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management;
- ensure that the Company has in place procedures to enable effective communication with stakeholders;
- ensure that all its directors are able to understand financial statements and form a view on the information presented; and
- ensure the integrity of the Company's financial and non-financial reporting.

Directors are expected to:

- (a) be aware of the environment the Group is operating in;
- (b) exercise reasonable care, skill and diligence by:
  - applying the knowledge, skill and experience which may reasonably be expected of a Director having the same responsibilities;
  - apply any additional knowledge, skill and experience which the Director has; and
  - and avoid undeclared conflict of interest situations;
- (c) understand their oversight role, including the exercise of independent and objective judgment in decision making;
- (d) commit and devote sufficient time and efforts in discharging their duties responsibly;
- (e) contribute actively in Board discussion and deliberations of issues by providing sound advice based on the Directors' experience and specific expertise they bring to the Board;
- (f) ensure key transactions or critical decisions are deliberated and decided on by the Board in a meeting and ensure the basis for those decisions made, including any dissenting views are made known and properly minuted; and
- (g) attend regular training programmes in order to be apprised of changes in regulatory requirements the Directors and the Group are subjected to.

#### **4.0 BOARD SIZE AND COMPOSITION**

- a. The Board should comprise of individuals with character, experience, integrity, competence and time to effectively discharge their role as company director. The composition and size of the Board are such that they facilitate the making of informed and critical decisions.
- b. The number of Directors shall not be less than two (2) and not more than twelve (12). The appointment of Directors shall be recommended by the Nomination Committee ("NC") and approved by the Board. The NC shall apply the Directors' Fit and Proper Policy before recommending the candidates to the Board for approval.
- c. At least half of the Board should comprise Independent Directors, but in any event, at least two or one-third (1/3), whichever is higher, of the Board members shall be Independent Directors.
- d. In the event of any vacancy in the Board, resulting in non-compliance with regulations on the board composition, the Board must ensure that such vacancy is filled within three (3) months.
- e. The Board may appoint a Senior Independent Director to whom shareholders' concerns can be conveyed.
- f. The positions of Chairman of the Board and Managing Director ("MD")/Chief Executive Officer ("CEO") shall be held by different individuals, and the Chairman must be an Independent Non-Executive member of the Board.

The Board recognises the importance of ensuring a balance of power and authority between the Chairman and the MD/CEO with a clear division of responsibility between the running of the Board and the Company's business respectively. The positions of Chairman and MD/CEO are separated and clearly defined.

In the event that the positions of Chairman of the Board and MD/CEO are held by the same person, the Company shall provide explanation and justification in the Annual Report of the Company.

- g. The Board acknowledges the importance of boardroom diversity and the recommendation of the Malaysian Code on Corporate Governance 2021 pertaining to the establishment of a gender diversity policy.

In reviewing the Board composition, the Board with the assistance from the NC, will take into consideration all aspects of diversity (including age, gender, ethnicity, skills, experience, independence and cultural background) and the tenure of each Director on the Board.

The Board shall endeavour to meet a target of at least thirty percent (30%) female Directors on the Board to bring in a diversity of perspectives and encourage women participation during Board deliberation and decision-making process.

- h. Any Director must not hold more than five (5) directorships in public listed companies.

A Director shall notify the Chairman of the Board before accepting any new directorship in public listed companies. The Director shall give assurance to the Board of his/her continued time commitment to serve the Board and the new appointment shall not be in conflict or compete with the existing appointment.

## **5.0 POSITION DESCRIPTION**

### **5.1 CHAIRMAN**

- i. The Chairman leads the Board and is responsible for the effective performance of the Board.
- ii. The Chairman of the Board shall be an Independent Non-Executive Member of the Board.
- iii. The Chairman of the Board shall not be a member of the Audit Committee, Nomination Committee or Remuneration Committee to ensure there is check and balance as well as objective review by the Board.
- iv. The Chairman is responsible for:
  - a. providing effective leadership to the Board by helping the Board fulfil the goals it sets by assigning specific tasks to the members of the Board;
  - b. leading the Board in establishing and implementation of the Group's values, standards and good corporate governance practices;
  - c. setting the Board agenda and ensuring the provision of accurate, timely and clear information to Directors;
  - d. ensures the provision of accurate, timely and clear information to Directors;
  - e. ensuring effective communication with shareholders and relevant stakeholders;
  - f. facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors;
  - g. overseeing and facilitating the Board, Board Committees and individual Director evaluation, reviews and succession planning alongside the Chairman of the NC; and
  - h. facilitating the ongoing development of all Directors.
- v. The Chairman, in consultation with the MD/CEO and the Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda and the Board members receive complete and accurate information in a timely manner.
- vi. The Chairman ensures effective and efficient conduct of the Board and general meetings and is responsible for managing the business of the Board to ensure that:

- a. all Directors are properly briefed on issues arising at Board meetings;
  - b. all Directors receive complete and accurate information in a timely manner;
  - c. sufficient time is allowed for discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion;
  - d. the issues discussed are forward looking and concentrates on strategy; and
  - e. active participation and allow dissenting views to be freely expressed.
- vii. The Chairman promotes constructive and respectful relations between Board members and manages the interface between the Board and Management.
- viii. The Chairman ensures appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.
- ix. The Chairman ensures that Executive Directors look beyond their executive functions and accept their full share of responsibilities on governance.
- x. Should the Chairman be absent from a meeting, the members of the Board present at the meeting, may choose one of their numbers to chair the said meeting.

## **5.2 MD/CEO**

- i. The MD/CEO is primarily accountable for overseeing the day-to-day operations to ensure the smooth and effective running of the Group.
- ii. The MD/CEO is responsible for the development and implementation of the long-term and short-term strategies for the Group and setting the overall strategic policy and direction of the Group's business operations based on effective risk management controls.
- iii. The MD/CEO ensures that the financial management practice is performed at the highest level of integrity and transparency and that the business and affairs of the Group are carried out in an ethical manner and in compliance with the relevant laws and regulations.
- iv. The MD/CEO shall exercise professional skill, due care and diligence when performing his functions, exercising his powers or discharging his duties as well as devote full attention and time to his duties and responsibilities and be able to direct and supervise the Company effectively.
- v. The MD/CEO provides effective leadership to the Group and is responsible for ensuring high management competency and that an effective management succession plan is in place to sustain continuity of operations.
- vi. The MD/CEO is the conduit between the Board and Management in ensuring the success of the Company's governance and management functions.

- vii. The MD/CEO implements the policies, strategies and decisions adopted by the Board. All Board authorities conferred on Management are delegated through the MD/CEO and this will be considered as the MD's/CEO's authority and accountability as far as the Board is concerned.
- viii. Keeping the Board fully informed of all important aspects of the Company's operations and ensuring sufficient information is distributed to the Board members.
- ix. In the absence of the MD/CEO, the Executive Director who is fully acquainted with the Company's affairs, will be the person who will be directly responsible for the overall running of the Company.
- x. The MD/CEO shall at all times exercise professional skill, due care and diligence when performing his functions, exercising his powers or discharging his duties.

### **5.3 INDEPENDENT DIRECTOR**

- i. An Independent Director is independent of management and free of any business or other relationships that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement, and who otherwise meet the criteria for independence.
- ii. The Independent Directors must give effect to the spirit, intention and purpose of the definition of an Independent Director set out in Rule 1.01 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("ACE Market Listing Requirements").
- iii. The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations to mitigate any possible conflict of interest between the policy-making process and the day-to-day management of the Company.
- iv. The Independent Directors shall constructively challenge and contribute to the development of business strategy and direction of the Company to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.
- v. The Independent Directors should ensure effective checks and balances on the Board and carry significant weight in the Board's decision-making process.

### **5.4 SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR**

A Senior Independent Non-Executive Director should:

- i) ensure all Independent Directors have an opportunity to provide input on the agenda and advise the Chairman on the quality, quantity and timeliness of the information submitted by Management that is necessary or appropriate for the Independent Non-Executive Directors to perform their duties effectively.

- ii) consult the Chairman regarding Board meeting schedules to ensure the Independent Directors can perform their duties and with sufficient time for discussion of all agenda items.
- iii) serve as the principal conduit between the Independent Directors and the Chairman on sensitive issues.
- iv) serve as a designated contact for consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact with the CEO and the Executive Directors.

The Board may appoint a Senior Independent Non-Executive Director to whom shareholders' concerns can be conveyed.

The selection of Senior Independent Non-Executive Director is based on his experience and the significant influence he has within the Board, ability to convey concerns of the Independent Directors on the Board to the other members of the Board and in the event of dissention between the Executive Directors of the Company in the execution of their duties as Independent Directors.

## **5.5 INDIVIDUAL DIRECTORS**

- i. Directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as Directors. Broadly, these include:
  - a. acting in good faith and in the best interests of the Company as a whole;
  - b. acting with care and diligence and for proper purposes;
  - c. avoiding conflict of interest with the Company in a personal or professional capacity;
  - d. refraining from making improper use of information gained through the position of director and from taking improper advantage of the position of director;
  - e. keeping abreast of changes and trends in the business and in the Group's business environment and markets and changes and trends in the economic, political, social, legal and regulatory climate that could affect the business of the Group; and
  - f. devoting sufficient time to prepare for and attend Board and Board Committee meetings, attend Directors' continuous training programme and briefings.
- ii. Directors will keep all Board information, discussions, deliberations, and decisions that are not publicly known confidential and will not use information gained through the Board for their own interest, or their employers' interest.

## **6.0 GENERAL ROLES AND RESPONSIBILITIES**

The Board shall assume, amongst others, the followings roles and responsibilities:

- a. Reviewing the Code of Conduct and Ethics of the Group and implementing appropriate internal systems to support, promote and ensure its compliance;
- b. Reviewing and adopting a sustainable strategic business development plan for the Group; The Board shall take appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities, and ensures that the Company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders;
- c. Regularly evaluating economic, environmental, social and governance issues and any other relevant external matters that may influence or affect the development of the business or the interests of the shareholders in ensuring that the Group's strategies promote sustainability;
- d. Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed;
- e. Reviewing, ratifying and monitoring systems of risk management and internal control and ethical and legal compliance. This includes establishing sound risk management framework, reviewing procedures to identify the main risks associated with the Group's businesses and the implementation of appropriate systems to manage these risks;
- f. Together with the Senior Management, promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- g. Reviewing, constructively challenging and making decisions on Management's proposals for the Group and monitoring the implementation;
- h. Ensuring all candidates appointed to Senior Management positions are of sufficient caliber and evaluating the necessary skills, expertise and performance of the Senior Management from time to time under the guidance of the NC;
- i. Reviewing the procedures for appointment of Chairman and Senior Management and ensuring that succession planning of the future chairman, Executive Directors and Senior Management is in place;
- j. Establishing an internal audit function which reports directly to the Audit Committee;
- k. Reviewing the adequacy and integrity of the Group's management information and internal control systems and ensuring there is an adequate group wide framework for co-operation and communication between the Company and its subsidiaries to enable it to discharge its responsibilities including oversight of group financial and non-financial performance, business strategy and priorities, risk management including material sustainability risks, and corporate governance policies and practices;



- l. Ensuring its members have access to information, advice and appropriate continuing education programmes;
- m. Reviewing and approving formal and transparent remuneration policies and procedures to attract and retain Directors and Senior Management;
- n. Ensuring there are appropriate corporate disclosure policies and procedures, including but not limited to on anti-corruption and whistleblowing in identifying and combating illegal, unethical and questionable practices within the Group;
- o. Encouraging the usage of information technology in communicating with stakeholders;
- p. Taking reasonable steps to encourage the shareholders' participation and voting by poll at general meetings of the Company;
- q. Promoting effective communication and proactive engagement with shareholders and other stakeholders;
- r. Overseeing the Company's policies as a whole and the standards in the workplace while ensuring appropriate internal systems are in place to support, promote and ensure its compliance; and
- s. Ensuring the integrity of the Group's financial and non-financial reporting.

## **7.0 NOMINATION AND APPOINTMENT**

### **7.1 Nomination**

The Company should ensure that the Directors and the MD/CEO are of high caliber, have sound judgment, high integrity and credibility as they are entrusted by the shareholders to manage and perform effectively.

All nominations of candidates for the positions of Directors and MD/CEO must be submitted to the NC for consideration. The NC shall apply the Directors' Fit and Proper Policy standards before recommending the candidates to the Board for approval.

In identifying the candidates for appointment as Directors, the Board shall not solely rely on the recommendations from the existing Board members, Senior Management or major shareholders and shall utilise independent sources to identify qualified candidates.

Directors should notify the Chairman of the Board before accepting any new directorship, including an indication of time that will be spent on the new appointment.

All nominations of candidates for the positions of Directors and MD/CEO must be submitted to the NC for consideration.

### **7.2 Re-election**

An election of directors shall take place each year contingent on a satisfactory evaluation of the Director's performance and contribution to the Board.

All directors are subject to retirement by rotation at least once every three years and are eligible for re-election.

New Board members will only hold office until the next annual general meeting and will then be eligible for re-election.

### **7.3 Retention/ Re-designation of an Independent Director with cumulative term of more than nine (9) years**

The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, an Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Executive Director. Otherwise, upon recommendation of the NC, the Board must justify and seek shareholders' approval through a two-tier voting process in the event that it desires to retain a person who has served in that capacity for more than nine (9) years as an Independent Director.

Further, the long serving Director is required to declare to the Company annually that he complies with the independence criteria.

The voting process for the resolution on continuance to act as an Independent Director beyond nine (9) years shall be carried out by two-tier voting pursuant to the Malaysian Code on Corporate Governance 2021.

Under the two-tier voting process, shareholders' votes will be cast in the following manner:

- (a) Tier 1: only the large shareholders of the Company to vote; and
- (b) Tier 2: shareholders other than large shareholders to vote.

The resolution is deemed successful if both Tier 1 and Tier 2 votes support the proposed resolution.

## **8.0 ASSESSMENT, TIME COMMITMENT AND DEVELOPMENT**

### **8.1 Directors' Assessment / Board Evaluation**

The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and its Committees. The Board with the support of the NC, reviews and evaluates the performance of the Board, Board Committees and individual Directors on an annual basis.

The Board evaluation comprises a Board Assessment, Board Committee Assessment, an Individual Director Self-Assessment, and an Assessment of the independence of Independent Directors.

The Board undertakes to assess the independence of the Independent Directors on an annual basis.

The criteria for assessing the independence of an Independent Director include the relationship between the Independent Director and the Company and his involvement in any significant transaction with the Company.

## **8.2 Time Commitment**

Each of the Board members is expected to commit sufficient time to carry out their role as a Director and/or as a member of the Board Committees of which they are a member. In this regard, the Board members are expected to advise the Chairman of the Board, and vice versa, of his or her intention to join the Board of another company outside the Group and indicate the time that will be spent on the new appointment. If necessary, the Chairman will consult with the rest of the Board members to determine whether the proposed new appointment is likely to impair the Director's ability to devote the necessary time and focus to their role as a Director of the Company.

The Board is also required to keep abreast of changes in regulatory, laws and accounting standards and development in corporate governance, broad business trends, strategy, financial instruments and technology advancement through reading of relevant industry and business publications and/or attending training programme and relevant conferences. The Board who is well informed would be in a better position to evaluate proposals made by Senior Management and to ask the right questions; hence, be more effective as Directors.

The Board shall not hold more than five (5) directorships in public listed companies.

## **8.3 Directors' Training and Development**

The Group has adopted an induction programme for newly appointed Directors. The purpose of the induction programme is to communicate to the newly appointed Director the Group's vision, mission, philosophy, nature of business, corporate strategy, current issues within the Group and the Group's expectations concerning input from the Director.

In addition to the mandatory programmes as required by Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board members are encouraged to attend training programmes conducted by highly competent professionals that are relevant to the Company's operation and business.

With the assistance of the NC, the Board will assess the training needs of the Directors and ensure Directors have access to a continuing education programme.

The Board shall disclose in the annual report the trainings attended by the Directors.

## **9.0 BOARD/MANAGEMENT AUTHORITIES**

The Board shall have the authority to approve transactions or activities that are beyond the individual discretionary powers of senior officers or management committees delegated by the Board as per the Approving Authority limits stipulated in the relevant policy manuals of respective operating units, subject to the provisions of the Constitution of the Company.

To ensure the direction and control of the Company are in the hands of the Board, a formal schedule of matters reserved for the Board's deliberation and decision is set out in Appendix I of this Charter.

#### **10.0 BOARD COMMITTEES**

The Board should establish and delegate certain duties to specialised Board Committees to oversee critical or major functional areas and address matters, which require detailed review or in-depth consideration before tabling their recommendation to the Board.

The Board has established the following Board Committees which operate within their specific terms of reference:

- a. NC
  - i. To establish a structured oversight process in recruiting, retaining, training and development to ensure the best possible composition of the Board.
  - ii. To provide a formal and transparent procedure for the appointment of directors as well as an annual assessment of the effectiveness of individual directors, Board Committees, the Board as a whole, and Senior Management, including a review of the performance of the Board and Senior Management in addressing the Company's material sustainability risks and opportunities.
  - iii. To keep an eye on the need for succession in the boardroom, identify the suitability of candidates against considerations such as competencies, commitment, contribution and performance, including the current composition of the Board and Board committees, the mix of skills and experiences of Directors whilst taking into account the current and future needs of the Company, Boardroom diversity (including gender diversity), and other soft attributes required as Company Directors for the Board's consideration and approval.
- b. Remuneration Committee
  - i. To assist the Board in developing and administering a fair and transparent remuneration policy for Directors and Senior Management of the Company to attract, retain and motivate them to drive Company's long-term success and growth.
  - ii. To review and recommend to the Board on the remuneration of Non-Executive Directors, by taking into account the level of expertise, commitment and responsibilities undertaken.
  - iii. To review and recommend to the Board the total individual remuneration package for Executive Directors and Senior Management including where appropriate bonuses, incentive payments within the terms of the agreed remuneration policy and based on individual performance, ensuring that compensation is competitive and consistent with the Company's objectives and strategy.

c. Audit Committee

- i. To provide independent oversight of the Company's financial reporting and internal control system, to ensure checks and balances within the Company, and to ensure financial statements comply with applicable financial reporting standards.
- ii. To play a key role in the Company's governance structure and rigorously challenge and ask probing questions relating to risk management and internal controls, financial and accounting records and policies as well as integrity in financial reporting practices and policies of the Company.
- iii. To review and assess the suitability and independence of the External Auditors and Internal Auditors.
- iv. To determine the risk appetite and oversee the quality, integrity and effectiveness of the risk management and internal control systems of the Group.
- v. To review the response of management to the recommendation proposed by the Internal Auditors and the External Auditors.

Duties and functions of the above-mentioned committees are provided in their respective terms of reference.

**11.0 BOARD PROCEDURES**

- a. The conduct of directors will be consistent with their duties and responsibilities to the Company and, indirectly, to the shareholders. The Board will always act within any limitations imposed by the provisions of relevant laws and guidelines on its activities;
- b. Directors will use their best endeavours to attend Board meetings. Directors are expected to participate fully, and constructively in Board discussions and other activities and to bring their particular knowledge, skills and abilities to the Board;
- c. Directors who are not able to attend a meeting will advise the Chairman at an earlier date as soon as possible and confirm in writing to the Secretary;
- d. Board discussions will be open and constructive, recognising that genuinely held differences of opinion could bring greater clarity and lead to better decisions. The chairman will, nevertheless, seek the consensus of the Board but may, where considered necessary, call for a vote;
- e. All Board discussions and their records will remain confidential unless there is a specific direction from the Board to the contrary, or disclosure is required by law. Subject to legal and regulatory requirements the Board will decide the manner and timing of the publication of its decisions;
- f. Directors are expected to strictly observe the confidentiality of the Company's information; and

- g. Directors are required to inform the Board of conflicts of interest or potential conflicts of interest that they may have in relation to particular items of business or transactions. Subject to the provisions of relevant laws and guidelines, these Directors shall abstain from the deliberation and determination of those matters.

## **12.0 AUTHORITY**

The Board shall within its terms of reference:

- a. have complete, adequate and timely information prior to Board meetings and on an ongoing basis;
- b. have the resources required to perform its duties;
- c. have full and unrestricted access to any information pertaining to the Company;
- d. have the authority to form Management / sub-committee(s) if deemed necessary and fit;
- e. have the authority to delegate any of its responsibilities to any person or committee(s) that is deemed fit;
- f. have direct communication channels with employees, Senior Management personnel and relevant external parties; and
- g. be able to obtain independent professional or other advice.

## **13.0 COMPANY SECRETARY**

The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.

The Company Secretary is accountable to the Board through the Chairman of the Board and all Committees on all governance matters.

The Company Secretary is a central source of information for the Board and its Committees on issues relating to compliance with rules and regulations, procedures and regulations affecting the Company.

The Company Secretary should guide directors of their obligations to adhere to matters relating to:

- Disclosure of interest in securities;
- Disclosure of any conflict of interest in a transaction involving the Company;
- Prohibition on dealing in securities; and
- Restriction on the disclosure of price-sensitive information.

The Company Secretary must keep abreast of, and inform, the Board of current governance practices.

The Board members have unlimited access to the professional advice and services of the Company Secretary.

#### **14.0 MEETINGS AND MINUTES**

Subject to relevant laws and guidelines, the following should be observe by the Board:

- a. The Board shall meet on a quarterly basis, but in any event, no less than once every three (3) months, or whenever deemed necessary;
- b. Individual directors must attend at least 50% of the Board meetings held in each financial year or such other percentage as may be prescribed by the ACE Market Listing Requirements;
- c. The quorum of the meetings shall be met pursuant to the Constitution of the Company;
- d. The Board is also allowed to carry out the resolution by way of circulation;
- e. The participation of the directors can be facilitated by electronic means, such as tele-conference, video-conference or any similar or other communications equipment in which case all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting;
- f. All decisions at such meeting shall be decided on a show of hands on a majority of votes. In case of an equality of votes, the Chairman shall have a second casting vote;
- g. Heads of the respective division units, relevant management personnel and external independent advisors may be invited to attend the Board meetings as and when the need arises;
- h. The Secretary or his/her nominee shall minute the proceedings and resolutions, including the names of all attendees. Draft minutes of meetings of the Board shall be circulated promptly to all members of the Board;
- i. Meetings of the Board shall be called by the Secretary of the Board at the request of the Chairman of the Board based on planned calendar dates. Notice of each meeting confirming the venue, time and date, together with an agenda of items and its supporting papers to be discussed, shall be forwarded to each member of the Board, no later than seven (7) days before the date of the meeting; and
- j. Except in the case of an emergency, reasonable notice of every meeting shall be given in writing and the notice of each meeting shall be served to the Board either personally or by e-mail, or by post or by courier to his/her registered address as appearing in the Register of Directors or to the address provided by the Board, as the case may be.

#### **15.0 ANNUAL GENERAL MEETING (“AGM”) AND EXTRAORDINARY GENERAL MEETING (“EGM”)**

- i. The Board regards the general meeting as an important event in the corporate calendar of which all Directors and key senior executives shall attend.

- ii. The Company regards the general meeting as the principal forum for dialogue with shareholders and aims to ensure that the general meeting provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.
- iii. The Chairman encourages active participation by the shareholders during the general meeting. To encourage poll voting during the general meeting, the Chairman shall inform shareholders of their right to demand for a poll at the commencement of the meeting.
- iv. Notice for an AGM shall be given to the shareholders at least 28 days prior to the meeting.
- v. The Company shall ensure that the conduct of general meetings supports meaningful engagement between the Board, Senior Management and shareholders. The Chairman and, where appropriate, the MD/CEO responds to the shareholders' queries during the meeting. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.

The Board Chairman shall inform the shareholders to share feedback and questions outside of the general meeting by sending email to the Board.

- vi. The Company shall circulate to shareholders the complete minutes of the general meeting detailing the meeting proceedings including issues or concerns raised by shareholders and responses by the Company no later than 30 business days after the completion of the general meeting.
- vii. The Company will leverage technology to facilitate—
  - voting including voting in absentia; and
  - remote shareholders' participation at general meetings.
- viii. The Company will take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security measures to prevent cyber threats.

## **16.0 REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT**

- a. The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors and Senior Management needed to run the Company successfully, taking into consideration all the relevant factors, including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal.
- b. The level of remuneration for the Executive Directors and Senior Management is determined by the Remuneration Committee after giving due consideration to the compensation levels for comparable positions in other similar industries. The remuneration package for Executive Directors and Senior Management is structured on the basis of linking rewards to corporate and individual performance.
- c. For Non-Executive Directors, the fee and allowance payable are determined based on the experience, level of expertise, commitment and responsibilities undertaken by the non-executive directors.



- d. Non-Executive Directors are entitled to participate in the Company's Share Issuance Scheme subject to approval at a general meeting. Non-Executive Directors who participated in the Share Issuance Scheme are prohibited from selling, transferring or assigning the shares within one (1) year from the date of the offer of such options.
- e. No Director other than the Executive Directors shall have a service contract with the Company.
- f. The review of the Directors' remuneration will be carried out by the Remuneration Committee on an annual basis for the approval of the Board prior to recommending the same to the shareholders for approval at the AGM of the Company.
- g. A formal independent review of the Directors' remuneration is undertaken no less frequently than once every three (3) years.

#### **17.0 DECLARATION OF INTEREST/CONFLICT OF INTEREST**

- a. The Constitution of the Company stipulates that a Director who is in any way, whether directly or indirectly interested in a contract or proposed contract with the Company shall declare his/her interest in accordance with the provisions of the Companies Act 2016. The Director concerned shall not participate in deliberations and shall abstain from voting on any matter arising therefrom.  
Should there be an actual, potential or perceived conflict of interest between the Company or a related corporation and a Director or an associate of a Director as a spouse or other family members, the Director involved shall make full disclosure and act honestly in the best interests of the Company.
- b. If a conflict or potential conflict situation exists, it is required that the conflicted Director be absent from the meeting whilst the Board discusses the matter and does not vote on the matter, unless the other directors who do not have a material personal interest in the matter have passed a resolution that states that those directors are satisfied that the interest should not disqualify the Director from being present.
- c. Directors are expected to advise the Company Secretary of any proposed Board or executive appointment to other companies as soon as practicable.

#### **18.0 ACCESS TO INFORMATION AND INDEPENDENT ADVICE**

- a. The Directors shall have access to Management for relevant and additional information or to seek explanations as and when required. At the request of the Board, Management is obliged to supply in a timely manner, all relevant information to enable Directors to make sound business judgements and discharge their duties more effectively.
- b. A Director of the Company is entitled to seek independent professional advice at the Company's expense on any matter connected with the discharge of their responsibilities. Individual Directors may also obtain independent professional or other advice in furtherance of their duties, subject to approval by the Chairman or the Board, depending on the quantum of the fees involved.

## **19.0 FINANCIAL REPORTING**

### **19.1 Transparency**

- i. The Company aims to present a clear and balanced assessment of the Company's financial position and future prospects that extends to interim and price-sensitive information and other relevant reports submitted to regulators.
- ii. The Directors ensure that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the approved accounting standards
- iii. The Company's practise is to announce to Bursa Securities its quarterly financial results as early as possible within two (2) months after the end of each quarterly financial period.
- iv. The Auditors Report shall contain a statement from the External Auditors explaining their responsibility in forming an independent opinion, based on their audit, of the financial statements.

### **19.2 Company Auditors**

- i. The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company Auditors through its Audit Committee.
- ii. The Audit Committee also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company Auditors. The Company ensures that the Company Auditors do not supply a substantial volume of non-audit services to the Company.
- iii. The appointment of the Company Auditors is subject to the approval of shareholders at General Meetings. The Company Auditors have to retire during the AGM every year and be reappointed by shareholders for the ensuing year.

## **20.0 STAKEHOLDERS OF THE COMPANY**

The Company has established channels such as engagement forums or the use of electronic means (corporate website and email) to undertake active engagements with the relevant stakeholders for example, employees, shareholders, potential investors, and consumers to gain a better understanding of the expectations and concerns (if any) of these stakeholders and the Company's impact on them.

### **20.1 Shareholder**

- i. The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and adopts an open and transparent policy in respect of its relationship with its shareholders and investors.

- ii. The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations, in addition to the various announcements made during the year.
- iii. The Company leverages information technology for effective dissemination of information. The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

## **20.2 Other Stakeholders**

In the course of pursuing the vision and mission of the Company, the Board recognises that no Company can exist by maximising shareholder value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.

## **20.3 Employees**

- i. The Board acknowledges that the employees are invaluable assets of the Company and play a vital role in achieving the vision and mission of the Company.
- ii. The Company has made an effort to provide a high quality, healthy and safe work environment to employees as well as the Group's stakeholders. The Group continues to adhere to industry and health policies in order to ensure that a safe and healthy working environment is provided to the employees of the Group at all times.

Opportunities will be given to the Group's employees to attend external and on-the-job training to enhance their skills, knowledge and personalities.

## **20.4 Environment**

- i. The Board acknowledges the need to safeguard and minimise the impact on the environment in the course of achieving the Company's vision and mission.
- ii. The Company continues to promote environmentally-conscious work practises in order to reduce environmental impact, enhance energy efficiency and promote recycling wherever possible. The Group complies with environmental laws and regulations.

## **20.5 Social Responsibility**

- i. The Board acknowledges that the Company has a continuing responsibility towards the community to ensure that the Company's activities are conducive to promoting the economic well-being of the community and are in line with the government's economic objectives. The Company shall play a vital role in contributing towards the welfare of the community in which it operates.

- ii. The Company maintains its commitment to its policy of satisfying customers by conducting its business with integrity and providing them with quality products.
- iii. The Company makes contributions, and donations and participates in charity events such as fund raising activities for schools and local community associations, as well as providing practical training for university students during the financial year.

#### **20.6 Company's sustainability risks and opportunities**

The Board will proactively consider sustainability issues such as health and safety, data governance and privacy as well as climate action when it oversees the planning, performance and long-term strategy of the company, to ensure the Company remains resilient, is able to deliver durable and sustainable value as well as maintain the confidence of its stakeholders.

Management will integrate sustainability considerations into the day-to-day operations of the Company and ensure the effective implementation of its sustainability strategies and plans.

The Board and Management will continuously engage and consider the views of their internal and external stakeholders to better understand and manage the Company's sustainability risks and opportunities

The Company's sustainability strategies, priorities as well as targets and performance against these targets will be communicated to the employees so that they are aware of and understand the Company's approach to sustainability ('what we do and why we do it').

The Company will inform the external stakeholders through the appropriate means such as engagements and company disclosures. This includes how close (or far) the Company is from achieving its targets, and actions the Company has taken or will take to address any gaps.

#### **21.0 DIVERSITY POLICY**

The Board acknowledges the importance of boardroom diversity and the recommendation of the Malaysian Code on Corporate Governance 2021 pertaining to the establishment of a gender diversity policy.

The Board promotes and embraces diversity and gender mix in its composition and believes that the presence of diverse ethnicities, nationalities, age and gender mix on the Board can widen the Board's perspectives in effectively discharging its duties and responsibilities. While promoting diversity, due recognition to the financial, technical, experience, and skill sets of the Director's concern and business imperative shall remain a priority.

The Company has adopted a policy of non-discrimination on the basis of race, age, religion and gender. Thus, the Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity, and other qualities in order to meet the future needs of the Company.

## **22.0 STRATEGIES AND POLICIES**

The Board oversees the Company's strategies and policies as a whole. This includes the Code of Conduct and Ethics, Whistleblowing Policy, Corporate Disclosure Policy, Remuneration Policy and other significant policies recommended under the Malaysian Code on Corporate Governance 2021.

- The code of Conduct and Ethics (**Appendix A**) promotes ethical values and standards for directors in discharging their duties and responsibilities.
- The Whistleblowing Policy (**Appendix B**) sets the appropriate communication channels to facilitate whistleblowing by employees, customers, suppliers and other stakeholders.
- The Corporate Disclosure Policy (**Appendix C**) promotes timely, effective and transparent disclosure of material information pertaining to the Company's performance and operations to shareholders, investors and the general public.
- The Board Diversity Policy (**Appendix D**) encourages a dynamic and diverse composition of the Company.
- Remuneration Policy of Directors and Senior Management (**Appendix E**)
- Conflict of Interest Policy (**Appendix F**) to ensure that actual, potential or perceived conflict of interest are identified and managed effectively in a timely manner.

## **23.0 REVIEW OF THE BOARD CHARTER**

The Board will review this Charter from time to time and make any necessary amendments when there are changes to the Malaysian Code on Corporate Governance 2021 and the ACE Market Listing Requirements that may be applicable or have an effect on the Board's responsibilities.

Any updates to the principles and practises set out in this Charter will be made available on the Company's website.

**LIST OF MATTERS RESERVED FOR THE BOARD**

Apart from matters which are expressly required by law to be approved by the Board, the following matters shall be especially reserved for the Board's approval, amongst others:

- a) Charters for the Board Committee;
- b) Material acquisitions and disposals of assets not in the ordinary course of business of the Group;
- c) Related party transactions and Recurrent related party transactions, where applicable;
- d) Limit of Authority;
- e) Risk management policy;
- f) Dividend policy and recommendation of interim and final dividends;
- g) Financial statements;
- h) Material contracts within the Group;
- i) Change of auditors based on recommendations from the AC;
- j) Change of Directors of the Group, MD/CEO and other Senior Management positions based on the recommendation of NC;
- k) Recommending amendments to the Constitution of the Company;
- l) The frequency of meetings of the Board;
- m) The convening of general meetings of shareholders of the Company;
- n) The appointment, removal or replacement of the Company Secretaries;
- o) Recommending to the shareholders that any ordinary or special resolutions in respect of the Company;
- p) Recommending to the shareholders to take a particular course of action proposed by the Board;
- q) The approval and authority to issue circulars to the shareholders of the Company;
- r) Conflict of interest issues related to a Director or a substantial shareholder; and
- s) Key human resources issues.

**SUNZEN GROUP BERHAD**  
**[Registration No. 200501003843 (680889-W)]**

**BOARD CHARTER**

**APPENDIX A**

**CODE OF CONDUCT AND ETHICS**

**1.0 INTRODUCTION**

In line with good corporate governance practices, the Board, Management and Employees of Sunzen Group Berhad ("Sunzen" or the "Company") and its subsidiaries (collectively referred to as the "Group") have made a commitment to create a corporate culture within the Group to operate the businesses of the Group in an ethical manner and to uphold the highest standards of professionalism and exemplary corporate conduct. This Code of Conduct and Ethics (the "Code") sets out the principles and standards of business ethics and conduct of the Group.

**2.0 OBJECTIVE**

The objective of the Code is to assist the Directors and the Employees (as defined under Clause 3 of the Code) in defining ethical standards and conduct at work. The Code is not intended to be exhaustive, and there may be additional obligations that the Directors and the Employees are expected to behave or conduct when performing their duties. For all intents and purposes, all the Directors and the Employees shall always observe and ensure compliance with all applicable laws, rules and regulations to which they are bound to observe in the performance of their duties.

**3.0 APPLICABILITY**

The Code is applicable to all employees (including full time, probationary, contract and temporary staff) ("Employees") and Directors of the Group. Each Employee has a duty to read and understand the Code. Violation of any of the Code's provisions can result in disciplinary action, including termination of employment. If a Director requires further clarification on the Code, the Director may refer or highlight any concerns to the Chairman, whereas for an Employee, the Employee may refer or highlight any concerns to the immediate superior, Head of Department or the Chief Executive Director.

**4.0 BUSINESS CONDUCT**

**4.1 Dealing with External Parties**

**i. Vendors and Business Partners**

- The Company shall take a collaborative approach in all their partnerships ensuring that employees address the specific needs of the stakeholders, while offering products, services and solutions.
- The Company shall conduct business with vendors or business partners that share the same ethical commitment as the Company, and shall avoid conducting business with vendors or business partners who are likely to harm the Company's reputation.
- Facts shall be weighed objectively and impartially to decide on vendors or business partners.
- Employees shall not exert or attempt to exert influence to obtain privilege treatment for any particular vendor. Vendors in competition for contracts with the Company shall at all times be able to have confidence in the integrity of the Company's selection processes.

**ii. Government**

- (a) Employees shall hold themselves up to the highest standards of conduct and aim to proactively engage with the government to improve the social and economic conditions.
- (b) Employees shall be aware of and adhere to the relevant laws and regulations pertaining to relations between government employees and customers, suppliers and business partners.
- (c) Employees shall not provide gifts to government employees or those acting on the government's behalf if doing so violates certain local laws and regulations or could be reasonably construed as an action to seek special favour.

**iii. Investors, Media, Analysts and Others**

- (a) Any Employee approached by investors, prospective investors, media and analysts on confidential information shall refer such requests to Finance Department.
- (b) Employees shall also refer any request for information on the Company's business from investigators or law enforcement officials to the Group Finance Department.
- (c) Employees shall not initiate contact with the media and analysis unless it is part of their job responsibilities, and with prior Management's approval and knowledge. In all instances, employees shall exercise caution in their communication.

**iv. Competitors**

- (a) Employees shall compete fairly and ethically within the framework of applicable competition laws.
- (b) Employees shall exercise caution in all business contracts and contacts with competitors, suppliers and vendors and seek advice from the Group Finance Department if in doubt whether an action violates any competition laws.
- (c) Employees shall disassociate themselves and the Company from participation in any possible illegal activity with competitors and avoid communicating sensitive or confidential information which includes pricing policy, contract terms, marketing and product plans and any other proprietary information.
- (d) Employees shall not use improper or illegal means to acquire a competitor's trade secrets or other confidential information. When working with such information, employees shall use it in the proper context and for legitimate purposes such as to evaluate the merits of the products, services and marketing of the Company. Such information shall only be made available to other employees on a need to know basis.

**4.2 Authority to Make Commitments**

- i. Employees are expected to be aware of and adhere to the Company's defined delegation of authority guidelines and processes for key functions and commitments, limits of authority documents and supplementary procedural documents.
- ii. Commitments that bind the Company shall only be made by Employees who are authorised to do so and in accordance with established limits of authority guidelines. It is not acceptable for Employees to make any business commitments whether oral or written that contradict established guidelines and which create a new agreement or modify an existing agreement without proper approval consistent with the limits of authority guidelines.



**4.3 Money Laundering**

- i. Money laundering is the process of concealing the identity of proceeds from unlawful activities to convert “dirty” money to a legitimate source of income or asset. Money laundering is an offence under the Anti-Money Laundering and Anti-Terrorism Financing Act in Malaysia.
- ii. Employees shall be aware of the applicable anti-money laundering laws and shall seek to ensure they are appropriately and adequately informed of developments in the laws relating to this area.
- iii. Employees are expected to be mindful of the risk of the Company’s business being used for money laundering activities and to raise any suspicious transactions to their immediate superior.

**4.4 Bribes and Corruption**

- i. Employees shall not offer, give, solicit or accept bribes in order to achieve business or personal advantages for themselves or others or engage in any transaction that can be construed as having contravened the anti-corruption laws.
- ii. Employees shall be cognisant of the fact that bribes may be in any form, monetary or otherwise including but are not limited to unauthorized remuneration such as referral fee, commission or other similar compensation, material goods, services, gifts, business amenities, premiums or discounts of an inappropriate value or of an unreasonable level or that are not generally offered to others or that are prohibited by law or may reasonably be viewed as having crossed the boundaries of ethical and lawful business practice.
- iii. Prior to giving or accepting any business amenity or other gifts (in whatever form or value), employees shall assess the appropriateness of their actions by assessing if the action could influence or could reasonably give the appearance of influencing the business relationship of the Company with that organization or individual or any business decision arising out of that business relationship.

**4.5 Gifts, Entertainment and Others**

- i. As a general rule, Employees are discouraged from giving or accepting gifts, entertainment and other benefits to or from business partners. Notwithstanding this, the Company recognises that the occasional acceptance or offer of modest gifts and entertainment may be a legitimate contribution to good business relationships.
- ii. Generally, all invitations to business luncheons or dinners may be given or accepted by the employees. Employees receiving or giving the gifts, entertainment and other benefits is responsible for assessing whether it is appropriate and within the boundaries set out in this Code.
- iii. The following rules and guidelines shall be observed:
  - a. The purpose of the gifts, entertainment and other benefits shall never influence business decision-making processes or cause others to perceive an influence.

## **Appendix A – Code of Conduct and Ethics (Page 4 of 7)**

- b. The situation in which the gifts, entertainment and other benefits is received or given shall not be in connection with contractual negotiations of similar situations.

### **5.0 EMPLOYEE CONDUCT**

#### **5.1 Workplace Environment**

- i. Employees shall strive to maintain a healthy, safe and productive work environment which is free from discrimination or harassment based on race, religion, political opinion, membership in political group, gender, sexual orientation, marital status, national origin, disability, age or other factors that are unrelated to the Company's legitimate business interests.
- ii. Employees shall avoid any conduct in the workplace that creates, encourages or permits an offensive, intimidating or inappropriate work environment including, but not limited to:
  - (a) Threats or comments that contain discriminatory or harassment elements;
  - (b) Unwelcome sexual advances;
  - (c) Violent behaviour or actions;
  - (d) Misuse or abuse of position of authority;
  - (e) Inappropriate dressing in violation of the dress code or policy of the Company;
  - (f) Possession of weapons of any type; or
  - (g) Use, possession, distribution or sale of illegal drugs, alcohol or any prohibited substance, except for approved medical purposes. The consumption of alcoholic beverages on company premises is only permitted for company-sponsored events and with prior management approval.

#### **5.2 Working Attitude**

- i. Employees are expected to be adaptive and optimistic with continued energy and confidence to meet global challenges.
- ii. Employees are encouraged to collaborate across markets, functions and teams towards achieving Sunzen Group's common goal.
- iii. Employees shall support the establishment of centres of excellence and innovation to enable knowledge sharing and the free-flow of ideas across Sunzen Group.
- iv. Employees are expected to behave in a professional and harmonious manner, by treating each other with respect, dignity, fairness and courtesy.

#### **5.3 Protection of Assets and Funds**

The Directors and the Employees must protect the assets and funds of the Group to ensure availability for legitimate business purposes and that no property, information or position belonging to the Group or opportunity arising from these be used for personal gain.

#### **5.4 Business Records and Data Integrity**

Accurate, timely and reliable records are necessary to meet the Group's legal and financial obligations and to manage the affairs of the Group. All books, records and accounts should conform to generally accepted and applicable accounting principles and to all applicable laws and regulations. The preparation and maintenance of accurate and adequate business records are the responsibility of each Employee. No unauthorised, false, improper or misleading records or entries shall be made in the books and records of the Group, under any circumstances.

#### **5.5 Confidential Information**

It is pertinent that all the Directors and the Employees exercise caution and due care to safeguard any information of a confidential and sensitive nature relating to the Group which is acquired in the course of their employment, and are strictly prohibited to disclose to any person, unless the disclosure is duly authorized or legally mandated. In the event that a Director or an Employee knows of material information affecting the Group which has not yet been publicly released, the material information must be held in the strictest confidence by the Director or the Employee involved until it is publicly released.

### **6.0 CONFLICTS OF INTEREST**

- i. The Directors and the Employees should avoid involving themselves in situations where there is real or apparent conflict of interest between them as individuals and the interest of the Group. The Directors and the Employees must not use their positions or knowledge gained directly or indirectly in the course of their duties or employment for private or personal advantage (directly or indirectly).
- ii. In addition, a Director or an Employee shall avoid any situation in which the Director or the Employee has an interest in any entity or matter that may influence the Director or the Employee's judgment in the discharge of responsibilities.

#### **6.1 Competing against Sunzen Group**

- i. The Employees shall not engage in activities that have conflict with the business interests, even in their own time, including commercially marketing products or services in competition with the current or potential offerings of the Company.
- ii. The Employees are not allowed to provide any form of assistance to organisations that market products or services in competition with the Company regardless if they receive any direct or indirect remuneration of any kind for the assistance provided. Accordingly, Employees shall not work for the competing organization in any capacity as an employee, consultant or as a member of its board of directors.

#### **6.2 Supplying to Sunzen Group**

The Employees shall not supply to the Company, represent a supplier, work for a supplier or be a member of the supplier's board of directors during your employment with the Company.

**6.3 Insider Trading**

- i. The Employees who are in the possession of market sensitive information are not allowed to trade in securities of the Company or the shares of another listed company if that information has not been made public. In the context of Malaysian law, insider trading is an offence defined under the Capital Market and Services Act 2007. The laws of other country on insider trading may be applicable in the context of inside information concerning company listed outside of Malaysia.
- ii. Further, the Employees shall not disclose such price sensitive information to any third party or encourage any other person to deal in price-affected securities.
- iii. The Employees must consult their respective Head of Department if unsure of the status of the information held by them.
- iv. The Employees must ensure that all transactions in the Company shares comply with the procedures set out in the Bursa Malaysia Listing Requirements and the law on insider trading.

**6.4 Relative of The Employees**

- i. The Employees shall disclose to the Company if any relative (for this Code, “relative” comprises employee’s spouse, parents, children, brothers, sisters and spouse of child, brother or sister) provides any form of goods or services direct or indirect to the Company, or is a competitor, vendor, business partner, contractor or consultant to the Company. Employees shall avoid or abstain from participating in or making decisions on any deal involving employee’s relative.
- ii. If the Employee’s relative is a competitor or supplier of the Company or is employed by one, employees are expected to exercise extra caution in their communication and conduct to ensure the security and confidentiality of information important to the Company and to avoid and/or create a conflict of interest situation.

**6.5 Personal Financial Interest and Borrowings**

- i. The Employees shall not have a financial interest in any organisation that the Company conduct business with or compete with if that interest results in or appears to present a conflict of interest situation for the employees with the Company. The Employees shall disclose such financial interest to Group Human Resource if it will cause or result in a conflict of interest situation.
- ii. The Employees are prohibited from borrowing from any organization that the Company conduct business with or compete with, unless the organization is a legal financial institution and the loans are granted at rates that are available to the general public. Additionally, employees are also prohibited from borrowing from representatives of any organization that the Company conduct business with compete with, regardless of the nature of business of the organization concerned.

**7.0 REPORTING OF VIOLATIONS OF THE CODE**

Any Employee who knows of, or suspects, a violation of the Code, is encouraged to whistle blow or report the concerns through the Whistleblowing Policy. The provision, protection and procedure of the Whistleblowing Policy for reporting of the violations of the Code are available on the Sunzen's website. No individual will be discriminated against or suffer any act of retaliation for reporting in good faith on violations or suspected violations of the Code.

**8.0 REVIEW OF THE CODE**

The Board will monitor compliance with the Code and review the Code regularly to ensure that it continues to remain relevant and appropriate.

**SUNZEN GROUP BERHAD**  
**[Registration No. 200501003843 (680889-W)]**

**BOARD CHARTER**

**APPENDIX B**

**WHISTLEBLOWING POLICY**

**Overview**

Whistleblowing is a specific means by which any employees, customers or suppliers (“stakeholders”) can report or disclose through established channels, concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place/ has taken place/ may take place in the future; of which they become aware and to provide protection for the party, who report allegations of such malpractice or misconduct.

**Objective**

This Policy is designed to:

- 1) Support the Company’s values;
- 2) Ensure stakeholders can raise concerns without fear of reprisals and safeguard such person’s confidentiality;
- 3) Protect a whistle-blower from reprisal as consequence of making a disclosure;
- 4) Provide a transparent and confidential process for dealing with concerns.

**Principles**

The principles underpinning the Policy are as follows:

- 1) internal procedures to facilitate necessary whistleblowing, in a timely and responsible manner, are in place and made known to all employees of the company;
- 2) all disclosures will be treated fairly and properly, and addressed in an appropriate and timely manner;
- 3) the Company will not tolerate harassment or victimisation of anyone raising a genuine concern;
- 4) the identity and personal information of the whistle-blower will be protected and kept confidential, unless the individual agrees otherwise or unless otherwise required by law;
- 5) the whistleblower and the alleged wrongdoer will be treated fairly. The wrongdoer will be informed of the status of his disclosure and the alleged wrongdoer will be given an opportunity to respond to all allegations at an appropriate time (not necessarily at the start, or during, the investigation);
- 6) personal information, including the identity, of the whistleblower and the alleged wrongdoer shall only be revealed on a ‘need-to-know’ basis; and
- 7) the Company will ensure no one will be at risk of suffering some form of reprisal as a result of raising a concern even if the individual is mistaken. The company, however, does not extend this assurance to someone who maliciously raises a matter he knows is untrue.

## **Appendix B – Whistleblowing Policy (Page 2 of 3)**

### **Covered Concerns**

A disclosure relating to, but not limited to, either of the following concerns or wrongdoings by any person in the conduct of the business shall be reported:

- 1) corruption, bribery and fraud;
- 2) criminal offence or breach of the laws of Malaysia;
- 3) acceptance of gifts/ favour beyond the threshold allowed by the company;
- 4) misuse and/or misappropriation of the Company's funds or assets;
- 5) impropriety (including financial and operational, etc.) within the Company;
- 6) gross mismanagement within the Company (including serious potential breach to the interest of society and environment);
- 7) breach of code of ethics of the Company, including sexual, physical or other abuse of human rights; and
- 8) act or omission jeopardising the health and safety of the Company's employees or the public.

### **Reporting Procedure**

If any stakeholder believes reasonably and in good faith that malpractices exist in the Company, the stakeholder should report this immediately to the head-of-department.

However, if for any reason the stakeholder is reluctant to do so, then the stakeholder should report the concerns to the Audit Committee Chairman.

Employees concerned about speaking to another member of staff can communicate, in confidence, to the Audit Committee Chairman by emailing his or her concern to the Audit Committee Chairman. Any anonymous disclosure will not be entertained. However, the Audit Committee Chairman reserves his/her right to investigate into any anonymous disclosure.

These concerns will be managed by the Audit Committee Chairman and he/she shall have the right to decide whether to inform the Senior Management or the Board or Directors or relevant enforcement authority(ies) (if the Audit Committee Chairman concluded that such incidents to be reported, based on the facts gathered), depending on the seriousness of the reported incident(s) and on need-to-know basis, without revealing the identity of the whistle-blower. The Audit Committee Chairman, at the cost to be borne by the Company, shall have the right and authority(ies) to decide on the next course of actions with the advice of the external professionals or experts, if required.

Whistle-blowers' identity will not be disclosed without prior consent. Where concerns cannot be resolved without revealing the identity of the whistle-blower raising the concern (i.e. if the evidence is required in court), a dialogue will be carried out with the whistle-blower concerned as to whether and how the matter can progress further.

## **Appendix B – Whistleblowing Policy (Page 3 of 3)**

### **Consequences of Wrongdoing or Wrongful Disclosure**

If the Person (i.e. the whistle-blower) has, or is found to have:

- committed a wrongdoing;
- taken serious risks which would likely cause a wrongdoing to be committed;
- made a disclosure not in accordance with the requirements of this policy (for instance, dishonest, mischievous or malicious complaints); or
- participated or assisted in any process pursuant to this policy otherwise than in good faith,

the corrective actions to be taken against that Person will be determined by the Audit Committee Chairman and the Managing Director or the Senior Management, which may include, disciplinary measures, formal warning or reprimand, demotion, suspension or termination of employment or services or monetary or other forms of punishment.

Any attempt to retaliate, victimise or intimidate against anyone (whistle-blower) making report in good faith is a serious violation of the Policy and shall be dealt with serious disciplinary actions and procedures.

### **Protection**

The identity and personal information of the whistle-blower will be protected and kept confidential, unless the whistle-blower agrees otherwise or unless otherwise required by law.

The whistle-blower will be protected from reprisal, including any form of harassment and victimisation, as a consequence of his disclosure.

If a whistle-blower reasonably believes that he is being subjected to reprisal, including harassment and victimisation, as a consequence of whistleblowing, he may consult or report to the Audit Committee Chairman.

### **Administration**

This Policy is administered by the Audit Committee with the assistance of Senior Management and overseen by the Board.

Contact person: Mr Khoo Kien Hoe  
Audit Committee Chairman  
(Email: bizaid08@gmail.com)



**SUNZEN GROUP BERHAD**  
**[Registration No. 200501003843 (680889-W)]**

**BOARD CHARTER**

**APPENDIX C**

**CORPORATE DISCLOSURE POLICY**

**1. INTRODUCTION**

The Board is committed to provide effective communication to its shareholders and general public.

**2. OBJECTIVES**

The objectives of the Disclosure Policy are as follows:-

- (i) To raise awareness and provide guidance to the Board, Management, officers and employees on the Company's disclosure requirements and practices;
- (ii) To provide guidelines and policies to disseminate corporate information;
- (iii) To ensure compliance with all applicable legal and regulatory requirements on disclosure of material information; and
- (iv) To build good investor relations with the investing public that inspires trust and confidence.

**3. APPLICATION OF THE POLICY**

This Policy applies to all directors, officers, employees, consultants and contractors of the Company and its subsidiaries.

**4. COMMUNICATION OF DISCLOSURE POLICY**

This Policy will be circulated and made available to all present and new directors, officers, employees, consultants and contractors of the Company and its subsidiaries.

A revised version of this Policy will be distributed whenever significant changes are made.

**5. ADMINISTRATIVE RESPONSIBILITY**

Directors should maintain the confidentiality of information entrusted to them by the Group and any other confidential information about the Group that comes to them except when disclosure is authorised by the Board or required to do so by law or regulatory body.

**6. SCOPE**

This Policy sets out when disclosure is required by the Company.

**6.1 Immediate Disclosure of Material Information**

- (a) The Company must announce immediately any material information (i.e. reasonably expected to have an effect on price, value or market activity of the share or investment decision.
- (b) The Company must announce immediately the occurrence of events prescribed under the ACE Market Listing Requirements.
- (c) The Company must announce immediately transactions which trigger the prescribed materiality threshold.
- (d) The Company must announce its quarterly financial statements and annual reports.

**6.2 Contents of Announcements and Circulars**

- (a) The Company must emphasise substance over form when disclosing announcement or circulars.
- (b) The Company aims to ensuring the investing public has a good understanding of information disclosed.
- (c) The Company must disclose the total consideration together with the basis and justification for the consideration.
- (d) The Company must disclose the contribution to group's net profit in a disposal transaction including the intended application of sale proceeds.
- (e) Contents in circulars must be factual, clear and not lengthy to facilitate easy understanding.

**6.3 Maintaining Confidentiality of Information**

- (a) The Company will withhold or delay disclosure of material information temporarily where disclosure would prejudice the ability of the Company to pursue its corporate objectives.
- (b) If material information is being withheld the Company must ensure that confidentiality is maintained to minimise information leakage.
- (c) Persons involved in the confidential transactions or in possession of price sensitive information shall ensure strict confidentiality.
- (d) If confidentiality of information is lost the Company must undertake an enquiry to ascertain the leakage and take appropriate steps to announce to Bursa Securities.

**6.4 Clarification, Confirmation or Denial of Rumours or Reports**

Whenever the Company becomes aware of a rumour or report, it should ascertain whether it contains undisclosed material information and make an announcement to Bursa Securities to deny or clarify the matter, and provide sufficient supporting information in accordance with the ACE Market Listing Requirements.

The Company must not make evasive announcement that do not clarify, confirm or deny a rumours or report.

**6.5 Unusual Market Activity**

Where there is unusual trading activity or price movement in the Company's shares, the Company must upon query from Bursa Securities undertakes due enquiry to determine the cause and issue a clarifying announcement.

## **6.6 Equal Access to Material Information**

The Company can provide any information to journalist, analysts and fund managers as long as it does not include any undisclosed material information.

The Company must immediately announce to Bursa Securities any non-public material information which has been inadvertently disclosed when responding to question from journalists, analysts or fund managers.

The Company will disseminate information through its website to shareholders and to enhance investor relations including email address, name of designated person, contact numbers to enable public to forward queries.

## **7. OTHER DISCLOSURE**

### **7.1 Profit Guidance**

Where there is material improvement or deterioration in the Company's financial results, the Company will assess the impact and immediately provide a profit guidance statement on the likely impact.

### **7.2 Fraud/Financial Irregularity**

Where there is a fraud or financial irregularity taking place, the Company will immediately assess the materiality and immediately announce if it is material including the financial and operational impact and steps taken to address it.

### **7.3 Announcement By External Parties/Authorities**

The Company will immediately announce to Bursa Securities any announcement by a government ministry or agency regarding a government policy which is material to the Company including the business and financial impact.

### **7.4 Disclosing Purpose and Utilisation of a General Mandate**

The Company may procure a general mandate from its shareholders at a general meeting to issue shares in accordance with the Companies Act 2016 and the requirements under the ACE Market Listing Requirements.

### **7.5 Quality of Financial Disclosure and Timely Disclosure**

The Board is responsible for the preparation of timely and reliable financial statements and represents a true and fair view of the statement of affair of the Company.

To facilitate easy reference, the Company discloses in its annual report, financial highlight of major items including disclosure in its notes to the quarterly report, a detailed analysis of the performance of all operating segments of the Group and details of major components in the statement of cash flows.

**8. OBTAINING FEEDBACK**

The Company has developed various channels via email, mail or telephone for shareholders and major stakeholders to provide their comments and feedback in relation to Company's operational, performance, governance and strategic matters.

The Company will consider the relevant comments and feedback received in establishing its corporate strategy.

**9. REVIEW**

The Board will review this Policy periodically to ensure that it remains consistent with the Board's objectives and responsibilities.

**SUNZEN GROUP BERHAD**  
**[Registration No. 200501003843 (680889-W)]**

**BOARD CHARTER**

**APPENDIX D**

**DIVERSITY POLICY**

**Introduction**

This Policy pursues to record, more formally, the Company's policy on Board and workplace diversity and to recognise the recommendation of the Malaysian Code on Corporate Governance 2021.

**Principles and Objectives**

The Group strictly adheres to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, which includes the selection of Board members and Senior Management. The Board encourages a dynamic and diverse composition of members and workplace by nurturing suitable and potential candidates equipped with competency, skills, experience, good character, time commitment, integrity and other qualities in meeting the future needs of the Company.

The objectives of this Policy are to have a Board and Senior Management which:

- is characterised by a broad range of viewpoints rather than just diversity in skills and experience; diversity in viewpoints would exist if there are diversity in gender, nationality, age, culture and socio-economic backgrounds; and
- has sustainable development as its core value, thus promoting the interests of all our stakeholders, particularly the long term interests of our shareholders, fairly and effectively.

**Scope**

The Board considers that the concept of diversity incorporates a number of different aspects, such as professional experiences, business experiences, skills, knowledge, gender, age, ethnicity and educational background.

**(a) Board Mix**

The Board shall include a balanced composition of Executive Directors, Non-Executive Directors and Independent Non-Executive Directors ("INED") to promote a strong element of independences in the Board. The INEDs shall be of sufficient calibre and standing, for their views to carry weight.

**(b) Skills and Experience**

The Board and Senior Management shall possess a balance of appropriate skills for the requirements of the business of the Company. The Directors shall have a mix of financial, legal, management and other backgrounds which when working in synergy, could provide the Company with considerable experience in a wide range of activities.

## **Appendix D – Diversity Policy – Page 2 of 3**

The Directors should have the capacity and competency to tackle questions and deliberate on sustainability, as well as evaluate the sustainability risks and opportunities, and make informed decisions on the matter.

### **(c) Gender**

The Board takes cognisance of the recommendation of the Malaysian Government to have at least 30% women as decision makers in corporate sector. The Company shall endeavour to increase female representation on the Board if there are appropriate candidates available when Board vacancies arise.

Nonetheless, the Company shall at any point of time to have at least one female representation on the Board.

### **(d) Ethnicity/Nationality**

The Company aspires to have a Board and Senior Management of different nationality or ethnic backgrounds who can contribute their knowledge and understanding of the business, industry and environment.

### **(e) Age**

The Board is fully committed to promote age diversity, valuing the contribution of its members and Senior Management regardless of age, and seeks to eliminate age stereotyping and discrimination.

## **Measurable Objectives**

This Diversity Policy framework for the Group is aimed towards achieving the following objectives:

1. Selection of candidates will be based on a range of diversity perspectives, including but not limited to, professional experiences, business experiences, skills, knowledge, gender, age, ethnicity, educational background and sufficient understanding and knowledge of sustainability issues that are relevant to the company and its business, to discharge its role effectively. The ultimate decision will be based on merit and contributions that the selected candidates will bring to the Board and Management. The Board's composition (including gender, ethnicity and age) will be disclosed in the Annual Report annually.
2. The Board acknowledges the importance of promoting gender diversity. Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board and workplace remains a priority.

## **Monitoring and Reporting**

1. Pursuant to the Term of Reference of the Nomination Committee ("NC"), NC is (among other things) responsible for:
  - reviewing, recommending and considering candidates to the Board and committees of the Board;
  - assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Directors on an on-going basis; and
  - assessing the balance of the Board membership and determining the core competencies and skills required for the Board.

**Appendix D – Diversity Policy – Page 3 of 3**

2. The NC shall report to the Board on:

- initiatives undertaken by the Board in relation to Board Diversity and to achieve the Measurable Objectives (including the progress against the achievement of sustainability targets);
- progress in achieving the Measurable Objectives; and
- recommendations regarding Measurable Objectives.

3. The Board shall, at least annually, assess:

- Measurable Objectives; and
- the progress in achieving the Measurable Objectives.

The Board will ensure that appropriate disclosures are made in the Annual Report regarding Board Diversity.

**SUNZEN GROUP BERHAD**  
**[Registration No. 200501003843 (680889-W)]**

**BOARD CHARTER**

**APPENDIX E**

**REMUNERATION POLICY**

**1. PURPOSE**

This Remuneration Policies and Procedures set out pertinent remuneration principles and guidelines for the Board of Directors (comprising Executive Directors and Non-Executive Directors) ("Board") of the Company and Senior Management of the Company and its subsidiaries ("Group").

The Remuneration Policies and Procedures are designed to:

- create a remuneration structure that is competitive so as to attract, reward, motivate and retain Directors and Senior Management who lead the Group towards realising its business strategies and long-term objectives;
- provide transparency, clarity and an independent process on compensating Executive Directors and Senior Management, taking into account their experience, knowledge, extent of responsibility and individual performance, including the performance of the Group and prevailing market and industry statistics; and
- provide a structured basis in determining the remuneration of Non-Executive Directors, which is commensurate with the responsibilities of the Non-Executive Directors, for example their involvement and contribution both in the Board and Board Committees, including attendance at meetings.

The Remuneration Policies and Procedures are structured based on the following key principles:

- the remuneration shall be set at levels that are competitive with the relevant market and industry with the aim of attracting and retaining talents as part of the Group's succession plan;
- the performance measures and targets shall be aligned with shareholders' interest in mind;
- provide an appropriate level of transparency to ensure the policy for the remuneration of Directors and Senior Management is understood by investors;
- the Company's performance in managing material sustainability risks and opportunities;
- the remuneration and incentives for independent directors should not conflict with their obligation in bringing objectivity and independent judgment on matters discussed; and
- ensure a level of fairness and consistency in remuneration.



## **2. POLICIES AND PROCEDURES**

The Remuneration Committee is responsible for recommending to the Board the policy framework on terms of employment and all elements of the Directors' remuneration and remuneration package for the Executive Directors and Senior Management to ensure the same remain competitive, appropriate and in alignment with the prevalent market practices and that the Company attracts, retains, motivates, the Directors and Senior Management who are strong credentials, high calibre and astute insights to run the business of the Group successfully.

The Remuneration Committee is authorised to review and recommend the annual bonus and salary increment of the Executive Directors and Senior Management of the Company.

Directors' Remuneration is decided by the Board with the Director concerned abstaining from deliberations and voting accordingly.

The Remuneration Committee shall, from time to time, consider the need to enhance one or more aspects of the remuneration packages in tandem with development in the market place. Accordingly, the Remuneration Committee may seek professional advice from outside sources for the purpose of formulating an attractive and competitive compensation and benefits package to attract, retain and motivate talents. It is nevertheless, the ultimate responsibility of the Board to approve the remuneration of the Directors and Senior Management.

## **3. THE REMUNERATION COMMITTEE SHALL:**

- i) Ensure that Director, whether executive or non-executive, should abstain from discussion and from participating in decision of their remuneration packages.
- ii) Recommend and advise the Board the remuneration and terms of conditions (and where appropriate, severance payments) of Executive Directors and Senior Management.
- iii) Recommend to the Board the level, composition and periodic review of Directors' Remuneration.
- iv) Seek comparative information on remuneration and conditions of service in comparable organisations and market practice.
- v) when considering severance payments, bear in mind that it must represent the public interest and avoid any inappropriate use of public funds. Care should be taken to avoid determining a severance package that public might deem to be excessive.
- vi) Consider that the determination of the remuneration packages of Non-Executive Directors (whether in addition to or in lieu of their fees as directors) is a matter for the Board as a whole.

## **Appendix E – Remuneration Policy – Page 3 of 5**

- vii) Review and recommend to the Board of any extra remuneration to be paid to any Directors who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside his ordinary duties as a Director of the Company.
- viii) Ensure that fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice concerning the meeting.
- ix) Provide the Board with the opportunity to review, prior to implementation, the composition of any management incentive scheme.
- x) Provide the Board with the opportunity, to review, prior to implementation, the nature, composition and eligibility for any Share Issuance Scheme.
- xi) Carry out other responsibilities, functions or assignments as may defined by the Board from time to time.

### **4. DIRECTORS' REMUNERATION PACKAGE**

The Executive Directors and Senior Management shall be provided a letter of appointment, setting out the terms and conditions of engagement, responsibilities for the role and remuneration package.

The Executive Directors and Senior Management are paid a fixed remuneration, consisting of base salary, allowances and other benefits such as company car and fuel allowance, contribution to the Employees Provident Fund, insurance and medical benefits.

The remuneration package of the Directors is as follows:

#### **i) Basic Salary**

The basic salary for the Executive Directors are recommended by the Remuneration Committee, taking into account the individual performance, the consumer price index and information from independent sources on the rates of salary for similar positions in other comparable companies. The salary is reviewed annually. The salary payable pursuant to a contract of service need not be determined by the Company in general meeting but such salary and emoluments may not include a commission on or percentage of turnover of the Company.

#### **ii) Fees**

The Directors shall be paid by way of fees for their services, such fixed sums (if any) as shall from time to time be determined by an ordinary resolution of the Company in general meeting and shall (unless such resolution otherwise provide) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office.

## **Appendix E – Remuneration Policy – Page 4 of 5**

The fees payable to Non-Executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

The annual directors' fees payable to the Director and meeting attendance allowance and benefits-in-kind payable to Non-Executive Directors are presented to the shareholders at the Annual General Meeting for their approvals.

### **iii) Bonus Scheme**

The Group operates a bonus scheme for all employees, including the Executive Director. The criteria for the scheme is dependent on the level of profits achieved from certain aspects of the Group's business activities as measured against targets, together with an assessment of each individual's performance during the period. Bonuses payable to the Executive Directors are reviewed by the Remuneration Committee and approved by the Board.

### **iv) Benefits-in-kind**

Other customary benefits (such as private medical cover, car, etc) are made available to Directors as appropriate.

### **v) Pension Arrangements**

The Executive Directors contribute to the Employees Provident Fund, which is the national mandatory contribution plan.

### **vii) Service Contract**

The contract of service for Managing Director and Executive Directors are reviewed and recommended by the Remuneration Committee to the Board for approval.

The Remuneration Committee shall review and assess the adequacy, effectiveness and continued relevance of the Policies and Procedures as and when necessary. Any requirement for amendment shall be deliberated by the Remuneration Committee, and any recommendation for revisions shall be presented to the Board for approval.

## **5. SENIOR MANAGEMENT'S REMUNERATION PACKAGE**

The remuneration component of the Senior Management shall consist of basic salary, Bonus scheme, benefits-in-kind and other incentives (where applicable). The remuneration of Senior Management is determined at a level which enables the Company to attract, develop, and retain high performing and talented individual with the relevant experiences, level of expertise, level of responsibilities and is structured so as to link reward to individual and corporate performance.

The Senior Management shall refer to those individual(s) who generally holds the highest level of management responsibility and decision-making authority within the Group. This will typically include the persons who primarily responsible for the business operation of the Group's core business and principal subsidiaries and any other persons whom the Directors shall consider as being the key Senior Management.

## **Appendix E – Remuneration Policy – Page 5 of 5**

The performance of the Senior Management who report to the Managing Director cum Chief Executive Officer are evaluated annually by the Managing Director cum Chief Executive Officer against the key performance indicators set in order to determine the recommendation on their remuneration levels.

**SUNZEN GROUP BERHAD**  
**[Registration No. 200501003843 (680889-W)]**

**BOARD CHARTER**

**APPENDIX F**

**CONFLICT OF INTEREST POLICY**

**INTRODUCTION**

Sunzen Group Berhad (“**the Company**”) and its subsidiary (collectively referred to as “**the Group**”) recognises and is committed in maintaining, observing and practicing high ethical standards of professionalism and integrity at all times in respect of its business and operations.

The Directors, Key Senior Management (*namely, Managing Director and/or Chief Executive Officer who is not a Director, Chief Operation Officer, Chief Financial Officer and/or any other person primarily responsible for the management of the subsidiary*) and Legal Representative (individually known as “**Key Person**” and collectively known as “**Key Persons**”) of the Group are expected to discharge their duties in a professional, honest and ethical manner at all times and to avoid any conflict or potential conflict between their personal interest and the Group’s interest.

The establishment of a Conflict of Interest (“**COI**”) Policy which sets out the framework and appropriate controls and measures to ensure systemic identification and management of such actual, potential or perceived conflict of interest in an effective and timely manner is therefore important in order to ensure that the interest of the Group are protected at all times and that any situation which could give rise to an actual, potential or perceived conflict of interest is properly reported, managed and recorded.

**PURPOSE**

The purpose of the COI Policy is to ensure that actual, potential or perceived conflict of interest are identified and managed effectively in a timely manner. It is to provide guidance on the method to address and deal with actual or potential conflict of interest situations as and when it arises and to protect the Group from serious damages (financial and non-financial) and consequences while assisting the Key Persons to discharge their duties with high integrity and ethical standards.

**SCOPE**

The COI Policy is applicable to the Key Persons of the Group.

This Policy shall apply whenever a Key Person is identified/recognised as being involved in an actual or potential conflict of interest situation when it arises from current or future activities of the Group.

**SITUATIONS THAT MAY GIVE RISE TO ACTUAL OR POTENTIAL CONFLICT OF INTEREST**

- COI exists when the interest of a Key Person interfere or appears to interfere with the best interest of the Group or make it difficult to perform his/her professional duties objectively and effectively.

## **Appendix F – Conflict of Interest Policy – Page 2 of 4**

- COI include potential conflicts that has yet to materialise or happen, but may arise subsequently due to, among others, prevailing relationships or interest of the Key Persons.
- A COI situation occurs when a Key Person's personal interest conflict with his/her duty to act in the best interest of the Company and the Group such that it could improperly influence the performance of his/her fiduciary duties and responsibilities to the Company and the Group.
- Key Person's COI include direct financial interest, indirect financial interest, non-financial interest (e.g. arising from relationships whether family, business or professional interests) or competing loyalties or interest.
- Generally, COI may be described under the following, the list is not exhaustive:
  - a) where a Key Person is interested in a contract or proposed contract with the Group;
  - b) where a Key Person holds another office or possesses any property where duties or interests are created which may conflict with his/her duties and interests as a Key Person;
  - c) where a Key Persons uses the Group's property, information, or position for personal benefits or private gain;
  - d) where a Key Person engages or conducts business that competes with the Group; and
  - e) where a Key Person takes advantage of any business opportunity which may be given to the Group.
- It is not possible to list every situation that may result in a COI. This Policy spells out the most common situations that create a COI or the appearance of one to help Key Persons make informed decisions. Key Persons must avoid any type of conflict and identify those situations that create or appear to create a conflict between their personal benefits and the interests of the Group and disclose those situations in accordance with the section below regarding Disclosure of COI.
- In determining whether a particular transaction is material or gives rise to a COI, the Key Persons should consider the value and nature of transaction, as well as the potential impact on the Group.
- Subject to the compliance of the Listing Requirements of Bursa Malaysia Securities Berhad and the Companies Act 2016, any transaction with the Group that, in aggregate, falls below the materiality threshold of 5% of the Profit After Tax based on the Company's latest audited consolidated financial statements, or where other factors indicate that the Group's interests are not adversely impacted, shall not be regarded as a COI.

## **Appendix F – Conflict of Interest Policy – Page 3 of 4**

### **GENERAL RESPONSIBILITIES**

All Key Persons of the Group are responsible for identifying and managing conflicts of interest on an-ongoing basis and are required to:

1. Comply with this Policy and other applicable policies and guidelines relating to the identification, documentation, escalation and management of conflicts of interest;
2. Act with objectivity, integrity and independence, and exercise sound judgement and discretion;
3. Avoid, wherever possible, situations giving rise to conflicts of interest as described in this Policy; and
4. Immediately declare any actual or potential conflict of interest in accordance with this Policy, abstaining from the decision making process and not seeking to influence such decisions any further.

### **DISCLOSURE AND DECLARATION**

1. All Key Persons are required to disclose any potential or actual conflict of interest as soon as they become aware of it, and at least annually via the “*Conflict of Interest Declaration Form*” attached in this Policy. The disclosure should include any direct or indirect interest in a business, transactions, or relationships that may create a COI.
2. The Declaration Form must be escalated to the Audit Committee (“**AC**”) and the Board of the Company and recorded by the Company Secretary in the minutes of meetings.
3. Where there is any change in the nature and extent of the Key Person’s interest subsequent to the disclosure, the Key Person shall make a further disclosure of such changes.

### **MANAGING CONFLICT OF INTEREST**

1. It is the duty of the Key Person’s fiduciary duty to avoid conflict of interest and comply with the relevant guidelines in respect of their fiduciary duties.
2. A Key Person, who having an interest either directly or indirectly or whether actual or potential, in any transaction or arrangement with the Group, or holding any office or possessing any property where duties or interests as Key Person may be created in conflict with his duties or interests as Key Person of the Group shall as soon as practicable after the facts have come to the Key Person’s knowledge, or, after becoming Key Person or possessing the property (as the case may be), declare the nature, character and extent of the Key Person’s interest and conflict to the AC and the Board at the Board and/or AC Meeting; if outside meeting times, such disclosure to be made via the “*Conflict of Interest Declaration Form*” as set out in Appendix of this Policy via electronic means and to the Company Secretary for record keeping.

#### **Appendix F – Conflict of Interest Policy – Page 4 of 4**

3. The AC shall review the declaration made by the Key Persons, and if any concerns or issues are identified, the AC shall report to the Board and propose the course of action to take to manage the conflict as well as to mitigate the impact of the conflict on the decision-making process.
4. When a determination has been made that there is a conflict of interest arose, persist or may arise, the AC must report and make recommendations to the Board to direct the conflicted party(ies) to, but not limited to the following:
  - a) The Conflicted Key Person shall not attend Board meetings and participate in any discussion while the transaction or arrangement is being considered during the Board meeting and shall not vote on the transaction or arrangement or proposed transaction or arrangement (in case of the conflicted Key Person is a Director). The interested Director can however be counted to meet the quorum at the Board meeting save where the sole agenda at the meeting relates to the aforementioned transaction or arrangement.
  - b) The Conflicted Key Person may however at the request of the Chairman of the Board be present at the Board meeting to answer any questions. In circumstances where a party is determined to have a significant, ongoing and irreconcilable conflict-of-interest with the Group, the AC may determine that resignation of the conflicted party from the Group is appropriate and necessary.
  - c) Withdraw or resign from all his/her executive involvement in the Group in relation to the matter that has given rise to the conflict of interest.
5. The Company Secretary shall record in the minutes the details of the conflict of interest that has arisen, the declaration by the Interested Key Person and the fact that the Conflicted Key Person was requested to leave the Board Meeting for discussion of the matter of issue. In cases, where the declaration is made outside of meeting times, the disclosure will be documented in the minutes of the subsequent meeting.
6. The Annual Declaration Form of Conflict of Interest by Key Person will be maintained by the Company Secretary.

#### **POLICY REVIEW**

This Policy will be subject to review and revision from time to time as and when the need arises, but in any event, at least once every three years.

This Policy has been adopted by the Board of Directors and shall come into force with effect from 26 August 2025.



## APPENDIX I

**SUNZEN GROUP BERHAD**  
**[Registration No. 200501003843 (680889-W)]**

**CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST DECLARATION  
FORM**

I, \_\_\_\_\_, in my capacity as a  
(1) \_\_\_\_\_ of Sunzen Group Berhad and/or its subsidiaries do hereby  
declare that as of the date below:-

(a) I do not have nor am I engaged in any actual/potential conflict of interest arising from:-

*“Holding any external position, directorship, or appointment in any organization that competes with the Company business objective or in a business transaction whereby I have an interest direct or indirectly involving my family members or my authorized agents. I have not participated in any business or commercial activities in my capacity that may adversely affect the Company’s existing business objectives or result in personal benefit at the expense of the Company.”*

(b) I do have personal connection or interest, I hereby declare that I have an actual/potential conflict-of interest as follows (Briefly describe the type of interest and the parties involved):

	Type of Interest	Parties Involved

I, further undertake to promptly disclose any changes in my circumstances that might give rise to such a conflict during my term of office.

.....  
Signature

Name:

NRIC No.:

Designation:

Date of Declaration

**Note:**

1. The Directors, Key Senior Management (*namely, Managing Director and/or Chief Executive Officer who is not a Director, Chief Operation Officer, Chief Financial Officer and/or any other person primarily responsible for the management of the subsidiary*) and Legal Representative