

VIZIONE HOLDINGS BERHAD

(formerly known as Astral Supreme Berhad) (442371-A)



VIZIONE

BOARD CHARTER

■ BOARD CHARTER ■

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BOARD CHARTER

1 PURPOSE

The Board Charter sets out the authority, responsibilities, membership and operation of the Board of Vizione Holdings Berhad (the “Company”), adopting principles of good corporate governance and practice, that accord with applicable laws.

2 AUTHORITY

The Board derives its authority to act from the Memorandum and Articles of Associations of the Company and the relevant laws.

3 PRINCIPAL RESPONSIBILITIES

3.1 The Board is charged with leading and managing the Company in an effective and responsible manner. The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders for the manner in which the affairs of the Company are managed and have a legal duty to act in the best interest of the Company.

3.2 The principal responsibilities of the Board are as follows:

- (i) Represent shareholders and serve the interest of the Company;

- (ii) Chart the direction, strategies and financial objectives that will allow the Company to build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution and within a framework of prudence and effective controls that enable risks to be assessed and managed;

3.3 Having regard to the responsibilities and obligations, in discharging the above responsibilities, the Board will direct and perform the functions that are set out as follows:

(I) STRATEGY

- (a) Sets the corporate objectives of the Company / Group;
- (b) Formulates and approves strategic plan for the Company / Group, identifying quantitative and qualitative performance objectives;
- (c) Reviews and oversees the conduct of the Company / Group's businesses and performance, having regard to the strategic plan.

(II) RISK MANAGEMENT

- (a) Maintains and implements risk management policies and internal compliance and control systems which are based on best practices;
- (b) Ensures that principal risks facing the company have been identified, assessed, and managed through the implementation of appropriate internal controls and mitigation measures;

- (c) Ensures that the Company's risk management processes comply with the legal and regulatory requirements.

(III) SUCCESSION PLANNING

- (a) Ensures that an appropriate succession plan for members of the Board and top management is in place;
- (b) Selects, appoints and evaluates the performance of and planning the succession of the Board and top management (including the Group Managing Director and functional directors of the Group);
- (c) Ensures that the necessary training, mentoring and coaching are provided to Board and top management;
- (d) Determining and reviewing remuneration of the Board, the Group Managing Director and top management;
- (e) Replacing Directors and top management of the Group, where appropriate.

(IV) INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION

- (a) Ensures effective communication with shareholders and investors;
- (b) Provides investors and shareholders with ready access to information on the Company and its activities;

- (c) Encourages shareholders to participate in general meetings;

(V) INTERNAL CONTROL SYSTEMS AND INFORMATION SYSTEMS

- (a) Maintains proper internal control systems and information systems;
- (b) Ensures adequacy and integrity of the Company's internal control systems and information systems;
- (c) Ensures that the internal control systems and information systems are in compliance with applicable laws, regulations, rules, directives and guidelines.

(VI) SUSTAINABILITY

- (a) Ensures that strategies addressing sustainability and stakeholder interests are in place;
- (b) Ensures that environmental, social and governance aspect of the business is being balanced with the interest of various stakeholders.

(VII) REPORTING

- (a) Monitors and approves financial and other reporting whether internally or externally;

- (b) Maintains and implements continuous disclosure policy and procedures which are in compliance with all legal and regulatory reporting requirements;
- (c) Ensuring that the statutory accounts of the Company and the Group are fairly stated and otherwise conform to the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements.

(VIII) CORPORATE GOVERNANCE

- (a) Promotes and operates according to the principles of good corporate governance which include ethical and responsible decision making;
- (b) Ensures the Company's compliance with corporate governance standards and practices;
- (c) Ensures that the Group adheres to high standards of ethics and corporate behaviour through the establishment of Code of Conduct and observance to Directors' Code of Best Practice;
- (d) Establishes and implements procedures on dealing with the Company's securities to be in compliance with all securities laws.

- (a) Establishes policies to strengthen the performance of the Group including ensuring that management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;
 - (b) Adopts performance measures to monitor implementation and performance of the strategy, policies, plans, legal and fiduciary obligations that affect the business;
 - (c) Establishes and maintains performance evaluation process for the Board, committees and individual directors.
- 3.3 In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board Committee, a Director, Management or other person. Nevertheless, this does not relinquish the ultimate responsibility of the directors under the relevant laws. Written procedures determining the issues to be decided by the Board and to be delegated to Board Committees and Management have been established. The Board collectively or individually, may seek independent professional advice in furtherance of their duties at the Company's expense.
- 3.4 Directors should consult the Company Secretary and / or the Chairman, as required, for any clarification on their responsibilities and duties and any dealings from which potential conflict of interest situation may arise.
- 3.5 Directors must at all times be aware of their additional role as ambassadors of the Group and as such should be guided accordingly.
- 3.6 In addition to the above, a schedule of **Reserved Matters** to be deliberated at the Board and not to be delegated is listed as follows:

(A) CONDUCT OF THE BOARD

- (i) Appointment of a Chair;
- (ii) Appointment and removal of directors based on recommendations of the Nomination and Remuneration Committee;
- (iii) Appointment of directors to fill a vacancy or as additional directors;
- (iv) Appointment and removal of Company Secretaries;
- (v) Establishment of Board Committees, their membership and delegated authorities;
- (vi) Appointment of top management positions, including that of the Group Managing Director / Chief Executive Officer and functional Directors and their duties and the continuation (or not) of their service.

(B) REMUNERATION

- (i) Approval of the remuneration arrangements for non-executive directors;

- (ii) Approval of the remuneration structure and policy for executive director and where appropriate, key executives based upon recommendations of the Nomination and Remuneration Committee;
- (iii) Approval of any proposed new employees' share option scheme and / or amendments to existing scheme, subject to other approvals that may be required by law or regulations.

(C) OPERATIONAL

- (i) Approval of business strategy and group operational plan and budget;
- (ii) Ongoing review of performance against business strategy and group operational plan, including monitoring of key risks and risk management policies and actions;
- (iii) Approval of major capital expenditure, acquisition, divestitures in excess of authority levels delegated to Board Committees or Management;
- (iv) Approval of bad debts write-offs;
- (v) Approval of investment or divestment of a capital project which represents a significant diversification from the existing business activities;
- (vi) Approval of changes in the major activities of the Company or Group;
- (vii) Approval of treasury policies and bank mandate;

- (viii) Setting or variation of the authority level of the Group Managing Director / Chief Executive Officer.

(D) FINANCIAL

- (i) Approval of interim and annual financial statements after taking into consideration the recommendations of the Audit and Compliance Committee;
- (ii) Approval for the release of financial announcements;
- (iii) Approval of the Annual Directors' Report and Statutory Accounts;
- (iv) Approval of interim dividends, the recommendation of final dividends and the making of any other distribution;
- (v) Adoption of accounting policies after taking into consideration the recommendations of the Audit and Compliance Committee;
- (vi) Approval of corporate policies and procedures after review by the Management Committee where appropriate;
- (vii) Review the effectiveness of the Group's system of internal control. This function is delegated to the Audit and Compliance Committee which will in turn report to the Board on its findings.

(E) OTHER MATTERS TO CONSIDER INCLUDING:

- (i) Review of corporate governance principles and policies;
- (ii) The granting of powers of attorney by the Company;
- (iii) The entering into of any indemnities or guarantees;
- (iv) Recommendations for the alteration of the Memorandum and Articles of Association of the Company;
- (v) Alteration of the accounting reference date, registered office and name of the Company;
- (vi) Purchase of own shares by the Company;
- (vii) Issue of any debt instruments;
- (viii) Substantial political or charitable contributions;
- (ix) Scheme of reconstruction or restructuring;
- (x) Any other significant business decision;
- (xi) Any other matter requiring the convening of a general meeting of shareholders or any class of shareholders;

- (xii) Any other specific matters nominated by the Board from time to time.

4 COMPOSITION AND BOARD BALANCE

4.1 SIZE OF THE BOARD

- 4.1.1 The Company's Articles of Association stipulates that the minimum and maximum number of directors on the Board shall not be less than three (3) and more than twelve (12). Generally, the size of the Board is determined so that the common purpose, involvement, participation, harmony and sense of responsibility of the Board Members are not be jeopardized.

For the avoidance of doubt, an alternate director shall not be counted in the determination of minimum or maximum number of directors on the Board.

4.2 COMPOSITION

- 4.2.1 The Board shall consist of a majority of non-executive directors with a broad range of skills, diversity, expertise and experience from different backgrounds to facilitate informed and critical decision making.
- 4.2.2 The Non-Executive Directors provide considerable depth of knowledge collectively gained from experiences in a variety of public and private companies and public services. They bring to the Board their external perspective and wisdom to guide Management on the decision-making process.
- 4.2.3 **Non-Executive Directors** can either be Independent or Non-Independent. Non-Independent Non-Executive Directors are nominees of the shareholders and represents the interests of the shareholder in providing strategic direction of the

Group. Nevertheless, the nominee directors (who was appointed by virtue of his position as an employee of a company, or who was appointed by or a representative of a shareholder, employer or debenture holder) shall act in the best interest of the company. In the event of any conflict between his duty to act in the best interest of the company and his duty to his nominator, his duty shall be to act in the interest of the company and not the nominator [S.132(1E), *Companies Act 1965*].

- 4.2.4 **Independent Directors** are Directors who are independent of management and free from any business or other relationship which could interfere with the exercise of independent judgment or the ability to act in the best interests of a listed issuer [Chapter 1, Bursa LR]. The **Independent Non-Executive Directors** provide an unbiased and independent view in ensuring that the strategies proposed by Management are fully deliberated and examined in the interest of not only the Group, but also of minority shareholders, employees and the business communities in which the Group conducts its business.
- 4.2.5 Notwithstanding the different roles, the responsibilities of the Non-Executive Directors are no different than those of the Executive Directors. From legal perspective, the Non-Executive Directors are jointly and severally liable for actions taken or omitted and also owe a fiduciary duty to the company of which he is a Director.
- 4.2.6 At any one time, at least two (2) or one-third (1/3rd), of the Board, whichever is higher, shall be independent. If the number of directors is not 3 or a multiple of three, then the number nearest one-third shall be used. (Chapter 15, LR). In the event of any vacancy in the Board resulting in non-compliance as stated earlier, the Company must fill the vacancy within three (3) months.
- 4.2.7 A director would be considered independent if he satisfies the **test of independence** adopted by the Board from time to time to assist in its regular "independence" determination. The policy on assessment of independence of directors is attached as part of the Charter.

4.2.8 The Board shall regularly review the independence of each non-executive director in light of any disclosure made by any director in respect of a new interest or relationship so that they continue to bring independent and objective judgments in board deliberation.

4.2.9 The Board may appoint a Senior Independent Director to whom the shareholders concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman and the CEO have failed to resolve them.

The **Senior Independent Non-Executive Director** contributes by playing the following roles:

- (a) Act as a point of contact for shareholders and other stakeholders with concerns which have failed to be resolved or would not be appropriate through the normal channels of the Chairman and the Group Managing Director;
- (b) Ensure balanced understanding of major shareholders issues and concerns;
- (c) Ensures all independent directors have the opportunity to provide input on the agenda and advise the Chairman on the quality;
- (d) Ensures that all Independent Directors receive appropriate information on a timely manner that is necessary for the Independent Directors to perform their duties effectively;
- (e) Serves as the principal conduit between the Independent Directors and the Main Board Chairman on sensitive issues, for example, managing the investigation of 'Whistle Blowing' leads;

- (f) If the need arises, takes the lead in Board and shareholder meetings in connection with related party transactions i.e. transactions with shareholders and/ or their related entities, as defined in Bursa LR; and

- (g) Considers whether Board meeting schedules and agendas permit Independent Directors to discharge their duties responsibly and appropriately, and if necessary, consult the Main Board Chairman to rectify the situation.

4.2.10 The **tenure of an independent director** shall not exceed a cumulative term of nine years in a consecutive service of nine years or cumulative service of nine years with interval.

4.2.11 Upon the completion of the nine years, the Board may, at its absolute discretion, consider re-designating the independent director as a non-independent director if it is so determined that the expertise and experience of the independent director is still relevant.

4.3 APPOINTMENTS

4.3.1 The appointment of a new director is a matter for consideration and decision by the full Board. The responsibility of screening and evaluating potential new directors and directors to be nominated for re-election shall be delegated to the Nomination and Remuneration Committee.

4.3.2 In recommending or nominating a person for the appointment to the Board, the Board will consider the candidate's ability to **devote sufficient time** to effectively discharge the duties as a director of the Company. This includes attendance at board and board committee meetings, commitments to other than the Company / Group, relationships which may hinder independence of judgment and the overall effectiveness to the Board.

- 4.3.3 The Nomination and Remuneration Committee is responsible for reviewing, on an annual basis, the appropriate skills, experience and characteristics required of Board Members through a set procedures, in the context of the needs of the Group with reference to its business.
- 4.3.4 The Board shall be responsible for selecting its members and in recommending them for election by the shareholders. In addition, the Chairman of the Board is required to actively participate in the selection of Board Members. A **formal invitation** to join the Company as a Board Member would be extended by the Chairman after approval from the Board.
- 4.3.5 The Company Secretary will be responsible in ensuring that the relevant procedures relating to the appointment of new Directors are properly executed.

4.4 INDUCTION PROGRAM

- 4.4.1 The Company has adopted an induction programme for newly appointed Directors.
- 4.4.2 Newly appointed directors will undergo an Induction Program specially designed to familiarize the directors with the businesses within the Group. This familiarization process includes briefing session on the range of product and services, business structure and visits to the respective operating facilities. The visits will include briefings from the Division's management to provide in-depth of the latest progress of the Division and appreciation of the key drivers behind the Group's core businesses. [Principle 2.2, MCCG 2012]

4.4.3 Newly appointed Board Member will be provided with a copy of the following upon being appointed a Director:

- (a) Board Charter;
- (b) Directors' Code of Best Practice;
- (c) Board committees' composition and terms of reference;
- (d) Latest business plan;
- (e) Latest annual reports and accounts;
- (f) Organisation chart and particulars on senior management;
- (g) Business operation structure; and
- (h) Minutes of past three Board of Directors' meetings

4.5 DIRECTORS' TRAINING

4.5.1 The Board acknowledges the importance of continuous education and training to enable effective discharge of its responsibility. This is essential for Directors to improve their skills and keep abreast with the latest ideas and industry practices. Bursa Malaysia recognises the importance of a well informed Director and makes it mandatory for Boards of listed issuers to continuously evaluate and determine the training needs of its Directors in relation to the discharge of their duties as Directors [*Paragraph 15.08(2), Bursa LR*] as well as to disclose in its annual report, details of training programmes attended by each Director and reasons for non-compliance with Bursa Malaysia's training requirements. [*Paragraph 15.08(2), Bursa LR*].

4.5.2 In meeting the expectations of the regulators and the public, the Directors are required to attend two types of programme:

(a) Mandatory Accredited Programme

This program is required by Bursa Malaysia for newly appointed directors who sit on boards of public listed companies for the first time. The program is conducted by Bursa Malaysia and the costs are borne by the Company.

(b) Continuous Education Programme / Training

This program focuses on business specific issues relating to the Group and the latest development within the related industries and is conducted in-house at least two times per year. The programme is extended to all Directors and Senior Management of the Group. The Directors can also on their own initiatives, request to attend ad-hoc trainings / seminars / conferences conducted by third party to enhance their knowledge or skills in specific areas. The costs of attending the trainings / seminars / conferences are borne by the Company.

4.6 DIRECTORSHIPS

4.6.1 Any Board member, while holding office, is at liberty to accept other Board appointments (outside the Group) so long as the appointment is not in conflict with the business of the Company and Group or does not detrimentally affect the director's performance as a Board member. All such appointments must first be discussed with the Chairman or the Board before being accepted.

4.6.2 The directorships held by any Board member at any one time shall not exceed ten (10) in listed companies and fifteen (15) in non-listed companies.

4.7 RE-ELECTION & RETIREMENT

4.7.1 The Articles of Association provides for one third of the Board to retire at each annual general meeting and a retiring director shall be eligible for re-election. In addition, Paragraph 15.05 of the LR provides that the office of a director shall become vacant if the director:

- (a) becomes of unsound mind;
- (b) becomes bankrupt;
- (c) is absent for more than 50% of the total Board meetings held during a financial year.
- (d) is convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences set out in subparagraphs 1(a), (b) or (c) above.

4.8 SHAREHOLDINGS BY BOARD MEMBERS IN THE GROUP

4.8.1 Board members may hold shares in the Group. When buying or selling shares of the Group, Board members must strictly observe the provisions of the relevant legislative and regulatory procedures.

4.9.1 CHAIRMAN

- (a) The Board shall appoint a Chairman and if necessary, a Vice Chairman from amongst its non-executive members as provided in the Articles of Association (Art. 79). The Deputy Chairman shall perform the duty of the Chairman during the Chairman's absence.

- (b) The role of the Chairman of the Board and the Group Managing Director shall be separated.

- (c) The Chairman plays a pivotal role in the Company creating the conditions for overall board and individual non-executive director effectiveness. The Chairman is responsible for the following:
 - (i) Leading the Board in setting the values and standards of the Company;

 - (ii) Study emerging business conditions and provide visionary direction for growth and diversification;

 - (iii) Maintaining a relationship of trust with and between the Executive and Non-Executive Directors;

 - (iv) Ensuring the provision of accurate, timely and clear information to Directors;

- (v) Ensuring effective communication with shareholders and relevant stakeholders;
 - (vi) Enhancing shareholders' value by motivating and initiating business development;
 - (vii) Evaluation of the performance of the Board, its Committee and individual Director;
 - (viii) Facilitating the effective contribution on Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors;
 - (ix) Providing governance in matters requiring corporate justice and integrity;
 - (x) Managing Board communication and Board effectiveness and effective supervision over Management;
 - (xi) Creating conditions for good decision making during Board and shareholders meetings;
 - (xii) Ensuring best utilization and security of assets;
 - (xiii) Ensures compliance with all relevant regulations and legislation.
- (d) The Chairman in consultation with the Group Managing Director and the Company Secretary sets the agenda for Board meetings and ensures that all relevant issues are on the agenda.

- (e) The Chairman is responsible for managing the business of the Board to ensure that:
 - (i) All Directors are properly briefed on issues arising at Board meetings;
 - (ii) No Board member, whether executive or non-executive, dominates discussion;
 - (iii) Sufficient time is allowed for the discussion of complex or contentious issues, and where appropriate requesting for a special meeting to enable thorough Board discussion;
 - (iv) The issues discussed are forward looking and concentrates on strategy.
 - (v) Board proceedings are in compliance with good conduct and practices.
- (f) The Chairman ensures that every Board resolution is put to vote to ensure the will of the majority prevails.
- (g) The Chairman ensures that the Executive Directors look beyond their executive functions and accept their full share of responsibilities on governance.
- (h) The Chairman will have no casting vote if two (2) Directors form a quorum or if there are only two (2) Directors competent to vote on the question at issue.

- (a) The Group Managing Director is the conduit between the Board and management in ensuring the success of the Company / Group's governance and management functions.

- (b) The Group Managing Director has the executive responsibility for the day-to-day operation of the Company / Group's business and implements the policies, strategies and decisions adopted by the Board

- (c) The roles and accountabilities of the Group Managing Directors are as follows:
 - (i) Ensure enhancement of stakeholder value and returns by motivating business development and operating efficiency.

 - (ii) Create conditions for systematically scanning emerging business conditions and reviewing business philosophy, goals and values.

 - (iii) Provide conceptual leadership to interpret stakeholder needs and strategically integrating the different business units.

 - (iv) Ensure proper determination by group operating goals, objectives and standards by setting and reviewing operations goals, and targets.

 - (v) Study and approve broad operating policies and guidelines for resource allocation, utilization and standards for performance evaluation to ensure the continued maintenance of a result corporate culture.

- (vi) Enhance group performance and productivity by seeking to highlight areas for synergy.
- (vii) Ensure security of assets of the group by developing, implementing and updating comprehensive asset utilization policies and methods.
- (viii) Manage Board of Directors' communications and create conditions for timely decision-making and execution.
- (ix) Ensure compliance with all relevant legislation and regulations by reviewing policies and monitoring compliance.
- (x) Ensure high performance and productivity of top management staff by creating conditions for top management motivation, performance management and professional development.
- (xi) Develop and maintain effective relations with significant external agencies such as regulatory bodies, government agencies, investing public and other trade associations and institutions.

5.1 BOARD COMMITTEES

- 5.1.1 In carrying out its responsibilities and functions, the Board may also delegate any of its powers to committees consisting of such member or members, a Director, employee or other person as it thinks fit.

Hence, the Board may from time to time establish a Committee as it considers necessary or appropriate to assist in carrying out the responsibility or specific task. All such Committees must be provided with written terms of reference which state clearly the extent and limits of their responsibilities and authorities. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed by the Board.

- 5.1.2 The present Board Committees are:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Business Development and Investment Committee

The duties and powers delegated to these committees are set out in the Terms of Reference of each of the Committee as approved by the Board .

5.2.1 The Chairman should ensure that the Board meets at regular intervals throughout the year. At each scheduled meeting, the Board should consider where applicable:

- (a) an operational report from the Group Managing Director / Chief Executive Officer / Chief Financial Officer covering also the trading results and cash flow projections;
- (b) proposals for significant capital expenditure and acquisitions;
- (c) proposals for significant disposal of company assets;
- (d) major issues or opportunities for the Group;
- (e) committee minutes / Board Circular Resolutions for notation;
- (f) changes in directorships and disclosure of interest;
- (g) disclosure of dealings by directors / principal officers;
- (h) issue of shares under the Company's Executives' Share Option Scheme;
- (i) summary of share ownership movement; and

- (j) any other matters requiring its authority.

5.2.2 In addition, the Board shall, at periodic intervals of not more than one year:

- (a) review the Company and Group goals;
- (b) review the strategies for achieving the stated goals;
- (c) approve the operational plan and budget;
- (d) consider and, if appropriate, declare or recommend the payment of dividends;
- (e) review non-executive Board Members' remuneration;
- (f) review the reports and recommendations from the Audit and Compliance Committee and:
 - (i) approve the quarterly announcements and annual financial statements to shareholders and the public;
 - (ii) approve the appointment of the Group's external auditors.
- (g) review the reports and recommendations from the Risk Management Committee and approve risk assessment and control policies;

- (h) review the reports and recommendations from the Nomination and Remuneration Committee and:
 - (i) adopt the Board composition, structure and succession;
 - (ii) confirm the performance of, necessity for and composition of Board Committees; and
 - (iii) review the Board and individual member's evaluations
 - (iv) approve the Group Managing Director / Chief Executive Officer's performance and remuneration; and
 - (v) approve the remuneration policies and practices in general

5.2.3 The Articles of Association of the Company stipulates the size and required attendance for the Board's quorum.

5.2.4 Board meeting agendas shall be the responsibility of the Chairman with input from Board Members, Group Managing Director and the Company Secretary. The Chairman may delegate such responsibility to the Group Managing Director and may also ask management to participate in this process.

5.2.5 The agenda for each meeting shall be circulated at least seven days before each meeting to the Board Members and all those who are required to attend the meeting. Proposals and written materials including information requested by the Board from Management and / or external consultants shall be received together with the agenda for the meetings. However, there will be exceptions in situation where the proposal is urgent and the requirements to prepare such paper only came at the last minute. In this case, the approval of the GMD and subsequently the Chairman must be obtained before including the board paper in the meeting agenda.

- 5.2.6 Information furnished to the Board should not just be historical or bottom line and financial oriented but information that goes beyond assessing the quantitative performance of the Group and looks at other performance measures such as performance against market, operational performance, product and service quality performance, human capital consolidation and so on when dealing with any item on the agenda.
- 5.2.7 The Chairman shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Board. The minutes of meetings shall accurately record decisions taken and the views of individual Board Members, where appropriate. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. Minutes of each meeting shall also be distributed to all members of the Board.
- 5.2.8 Board Members are expected to make every effort to attend Board meetings and prepare thoroughly. Members are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board table.
- 5.2.9 Board discussions will be open and constructive, recognising that genuinely held differences of opinion and, in such circumstances, bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek a consensus in the Board but may, where considered necessary, call for a vote. All discussions and their record will remain confidential unless there is a specific direction from the Board to the contrary or disclosure is required by the law. Subject to legal or regulatory requirements, the Board will decide the manner and timing of the publication of its decisions.
- 5.2.10 Executive members attend Board meetings to discharge their Board responsibilities. At Board meetings, Board responsibilities supersede all executive responsibilities.

5.3 PROVISION OF BUSINESS OR PROFESSIONAL SERVICES BY BOARD MEMBERS

5.3.1 To avoid a conflict of interest (actual or perceived), Board Members should not, generally provide business or professional services of an ongoing nature to the Group.

5.3.2 Notwithstanding the general rule, the Company and / or Group is at liberty to:

- (a) for the purpose of a special assignment, engage the services of any Board Member having special expertise in the particular field; or
- (b) engage the services of a firm or company of which the Board Member is a partner, director or major shareholder so long as the terms of engagement are competitive, are clearly recorded and all regulatory and legal requirements of the engagement are properly observed;

Provided that the Board Member who is in any way, whether directly or indirectly, involved in the contract or proposed contract with the Company, shall declare the nature of his interest in accordance with the Company's procedures and provisions of the law. (*Article 76, Articles of Association*)

5.4 ACCESS TO INDEPENDENT PROFESSIONAL ADVICE

5.4.1 A Director, in discharging his duties, may rely on information, professional or expert advice, opinions, reports or statements, including financial statements and other financial data prepared by officers of the Group and/or competent advisors recruited by the Group [*Section 132(1C), CA*] provided that such reliance are made in good faith and after making an independent assessment thereof having

regard to the Directors' knowledge of the Group and the complexity of the structure and operation of the Group [Section 132(1D), CA].

5.4.2 The Director's rights above is further affirmed by Paragraph 15.04, of the Bursa Malaysia Listing requirements including but not limited to the following:

- (a) Unrestricted access to information during which they were Directors;
- (b) Advice and services of the Company Secretary; and
- (c) Independent professional advice, at the expense of the Company/Group;

whenever necessary and reasonable for the performance of his duties, and in line with procedures defined by the Board.

5.4.3 If a director considers that such advice is necessary, the director shall first discuss it with the Chairman and, having done so shall be free to proceed. The director should provide proper notice to the Group Managing Director / Chief Executive Officer or the Company Secretary of the intention to seek independent advice and shall provide the name(s) of the professional advisors that he / she intends to contact, together with a brief summary of the subject matter for which professional advice is sought. The Group Managing Director / Chief Executive Officer or the Company Secretary shall provide written acknowledgement of acceptance of notification. In the event that one or more directors seek to appoint one or more advisors, the Chairman should take steps to facilitate discussions to arrive at a consensus.

5.4.4 Fees for the independent professional advice will be payable by the Company / Group but proper approval of the Chairman will be required.

5.4.5 For avoidance of doubt, the above restriction shall not apply to executive directors acting in the furtherance of their executive responsibilities and within their delegated powers.

5.4.6 For the purposes of this section, independent professional advice shall include advice sought from legal experts, accountants or other professional advisor and consultants. Independent professional advice shall exclude any advice concerning the personal interests of the directors (such as with respect to their contracts or disputes with the Group), unless these are matters affecting the Board as a whole.

5.5 THE COMPANY SECRETARY

5.5.1 The appointment or removal of Company Secretary or Secretaries of the Board shall be the prerogative of the Board as a whole.

5.5.2 The Secretary shall be a qualified individual as stipulated under Section 139A of the Companies Act 1965 as follows:

- (a) He or she is a member of a professional body or any other body, which has for the time being been prescribed by the Minister by notification published in the Gazette; or
- (b) He is licensed by the Registrar for that purpose.

5.5.3 The Secretary is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.

5.5.4 The Secretary is also responsible and accountable to the Board, for ensuring that the secretarial functions provide adequate support to the Main Board (and Board Committees) for all Board-related administrative functions.

5.5.5 The Secretary also plays an important role as the gatekeeper of corporate governance, and advises the Board on regulatory compliance matters.

5.5.6 All Board Members, particularly the Chairman, have unrestricted access to the advice and services of the Company Secretary for the purposes of the Board's affairs and the business.

6 BOARD AND MEMBER EVALUATIONS

6.1 The Group has in place a Board Evaluation Exercise which is conducted on an annual basis. The Board Evaluation criteria are based on the Green Book – Enhancing Board Effectiveness as well as guidelines and best practices issued by Bursa Malaysia and other relevant authorities which are based on the following main components:

- (i) structuring a high performing board;
- (ii) ensuring a day-to-day Board operations and interactions;
- (iii) Fulfilling fundamental Board roles and responsibilities at best practices levels.

6.2 The Nomination and Remuneration Committee is given the task to review annually the activities and effectiveness of the Board and the individual Board Members and will report annually to the Board an assessment of the Board's and its committees' performance which will be discussed with the full Board.

6.3 The Nomination and Remuneration Committee will evaluate each individual director's contributions to the effectiveness of the Board and the relevant Board committees. The results of such evaluation will be discussed with the Committee and / or the Chairman. The Chairman's own position is discussed with the Nomination and Remuneration Committee.

- 6.4 Actionable improvement programmed will be developed to improve the performance of the Board.

7 DIRECTORS' REMUNERATION

- 7.1 The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved but without paying more than is necessary to achieve these goals.
- 7.2 The level of remuneration for Non-Executive Directors are based on their responsibilities in Committees and the Board, their attendance and/or special skills and expertise they bring to the Board.
- 7.3 Executive Board Members will receive no fees but will be paid as employees of the Company in accordance with their contracts of employment with the Company.

8 RELATIONSHIP OF THE BOARD WITH MANAGEMENT

8.1 ACCESS TO MANAGEMENT AND INFORMATION

- 8.1.1 Board Members have complete access to the Group's management. Board Members have unrestricted access to the information pertaining to the Company and / or Group including the Company and / or Group's auditors and consultants.
- 8.1.2 It is assumed that Board Members will use judgement to be sure that this contact is not distracting to the business operation of the Group and that such contact, if in writing, be copied to the Group Managing Director / Chief Executive Officer and Chairman.
- 8.1.3 Furthermore, the Board encourages the management to, from time to time, involve managers in Board meetings who:
- (a) can provide additional insight into the items being discussed because of personal involvement in these areas; and / or
 - (b) represent managers with future potential that the management believes should be given exposure to the Board.

8.2 POSITION OF GROUP MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER

- 8.2.1 The Board will link the Company's governance and management functions through the Group Managing Director / Chief Executive Officer. All Board authority conferred on management is delegated through the Group Managing Director / Chief Executive Officer so that the authority and accountability of management is considered to be the authority and accountability of the Group Managing Director / Chief Executive Officer so far as the Board is concerned.

- 8.2.2 The Board, through the Nomination and Remuneration Committee, will agree with the Group Managing Director / Chief Executive Officer to achieve specific results directed towards the Company and / or Group goals.
- 8.2.3 Between Board meetings, the Chairman maintains informal link between the Board and the Group Managing Director / Chief Executive Officer, and expects to be kept informed by the Group Managing Director / Chief Executive Officer of all important matters, and is available to the Group Managing Director / Chief Executive Officer to provide counsel and advice where appropriate.
- 8.2.4 Only decisions of the Board acting as a body are binding on the Group Managing Director / Chief Executive Officer. Decisions or instructions of individual Board Members, officers or committees are not binding except in those instances where specific authorisation is given by the Board.

8.3 ACCOUNTABILITY OF GROUP MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER TO THE BOARD

- 8.3.1 The Group Managing Director / Chief Executive Officer is accountable to the Board for the achievement of the Company goals and for the observance of the management authorities.
- 8.3.2 At each normal Board meeting, the Board should expect to receive from or through the Group Managing Director / Chief Executive Officer:
- (a) the operational and other reports and proposals referred to under the sections on Principles Responsibilities and Board Meetings and Supply of Information; and
 - (b) such assurances as the Board considers necessary to confirm that the management authorities are being observed.

8.4 MANAGEMENT AUTHORITIES

- 8.4.1 The Group Managing Director / Chief Executive Officer is expected to act within all specific authorities delegated to him / her by the Board.
- 8.4.2 The Group Managing Director / Chief Executive Officer is expected to not cause or permit any practice, activity or decision that is contrary to commonly accepted good business practice or professional ethics. In allocating the capital and resources of the Company and / or Group, the Group Managing Director / Chief Executive Officer is expected to adhere to the Company and / or Group's goals and policies. He / She is expected to not cause or permit any action without taking into account the risks affecting the performance, health, safety, environment, sustainability, governance and political consequences and their effect on long-term shareholder value.
- 8.4.3 The assets of the Group are expected to be adequately maintained and protected, and not unnecessarily placed at risk. In managing the risks of the Group, the Group Managing Director / Chief Executive Officer is expected to not cause or permit anyone to substitute their own risk preference for those of the shareholders as a whole.
- 8.4.4 The Group Managing Director / Chief Executive Officer is expected to not permit employees and other parties working for the Group to be subjected to treatment or conditions that are undignified, inequitable, unfair or unsafe.

8.5 LEADERSHIP DEVELOPMENT

- 8.5.1 The Group Managing Director / Chief Executive Officer is expected to provide a report on an annual basis to the Nomination and Remuneration Committee on succession planning. The Group Managing Director/ Chief Executive Officer,

should on a continuing basis, provide recommendation as to a successor should he / she be unexpectedly disabled.

- 8.5.2 The Group Managing Director / Chief Executive Officer is also expected to provide a report on an annual basis on the Group's talent development. This report should be given to the Nomination and Remuneration Committee at the same time as the succession planning report noted previously.

9 ACCOUNTABILITY AND AUDIT

9.1 FINANCIAL REPORTING

9.1.1 TRANSPARENCY

- (b) The Company aims to present a clear, balanced and comprehensive assessment of the Company's financial position and future prospects that extends to the interim and price-sensitive information and other relevant reports submitted to regulators.
- (c) 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.
- (d) The Company's practice is to announce to Bursa Malaysia its quarterly financial results as early as possible within two (2) months after the end of each quarterly financial period.

- 9.2.1 The Board recognises the value of an effective Audit Committee (AC) in ensuring the Company / Group's financial statement is a reliable source of financial information. In doing so, 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 External Auditors through its AC.
- 9.2.2 The AC also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the External Auditors.
- 9.2.3 The AC will review the performance of the External Auditor on an annual basis after completion of the year-end audit. In evaluating the effectiveness of external audit, the AC will assess the effectiveness of the external auditor based on a number of criteria including but not limited to:
- (a) The overall comprehensiveness of the external audit plan;
 - (b) The timeliness and quality of the deliverables promised during the audit;
 - (c) The competency and basic industry knowledge of the external audit staffs;
and
 - (d) The adequacy of resources to achieve the scope of the outlined audit plan.
- 9.2.4 The AC will also review and assess the ***independence of the External Auditor*** annually at the time the External Auditor presents its annual audit plan. It is expected that the External Auditor will rigorously comply with its own internal

policies on independence and all relevant professional guidance on independence.

9.2.5 The AC will further ensure that the policies governing the provision of non-audit fees are observed. The general guiding principles to be applied in assessing the other non-audit related services are as follows:

- (a) The External Auditor should not have involvement in the preparation of the financial information or preparation of financial statements such that they might be perceived as auditing their own work.
- (b) The External auditor should not be involved in the design or implementation of the financial information systems.
- (c) The External Auditor should not perform any function as management, or be responsible in making management decisions; and
- (d) The separation between internal and external audit should be maintained.

9.3 INTERNAL AUDITORS

9.3.1 The Group has established an internal audit function which is being outsourced to an external Internal Audit firm that reports to the AC.

9.3.2 The internal audit function is independent of the activities performed with impartiality, proficiency and due professional care.

9.3.3 The internal audit function is well resourced and critically reviews all aspects of the Company's activities and internal controls. Comprehensive audits of the

practices, procedures, expenditure and internal controls of all business and support units and subsidiaries are undertaken on a regular basis.

- 9.3.4 The outsourced Internal Audit firm has direct access to the Board through the Chairman of the AC.

9.4 INTERNAL CONTROL

9.4.1 The Directors are fully aware of the responsibilities to maintain a sound system of internal controls to safeguard shareholders' investment and the Group's assets. The Directors' responsibilities for the Group's system of internal controls cover not only financial aspects of the business but also operational and compliance control as well as risk management matters.

9.4.2 The function of the outsourced Internal Audit firm on the systems of internal control is to assist the AC and the Board of Directors as follows:-

- (a) Perform regular review on compliance of operational procedures using risk-based audit approach.
- (b) Conduct investigations on specific areas or issues as directed by the AC and the Management.

9.5 RISK MANAGEMENT

9.5.1 The Board, through the Board Risk Management Committee, determines the Company / Group's level of risk tolerance and actively identify, assess and monitor key business risks to safeguard shareholders' investment and the Company's assets.

- 9.5.2 The above function is performed by the Group Risk Management Department, which is separate from the outsourced Internal Audit firm. The Department reports the results of the risk management activities to the Board Risk Management Committee. The Department facilitates the risk management processes within the Group.
- 9.5.3 In managing risks, the Board has adopted the Enterprise Risk Management (“ERM”) framework for the Group with the following objectives:
- (a) Ensures oversight over the management of risks including establishing the significant risks that the Group is willing to accept.
 - (b) Promotes operational efficiencies, optimizes use of capital and improve margins through managing cost of risk.
 - (c) Drives operational efficiencies and bottom line by controlling the business processes.
- 9.5.4 In implementing the ERM Framework, the Group has adopted the universally accepted standard for managing risks which is the ISO 31000.
- 9.5.5 A Risk Management Policy has been established by the Group to ensure an effective risk management programme and control systems and thereby facilitating the Group in meeting all its business objectives, most specifically :-
- (a) To enhance the Group’s high standards of corporate governance;
 - (b) To safeguard shareholders’ investment;
 - (c) To safeguard the Group’s assets;
 - (d) To develop the Group’s employees and promote their well-being;
 - (e) To facilitate the Group’s long-term growth under all business conditions.

- 10.1 The Board will use its best endeavours to familiarize itself with issues of concern to shareholders.
- 10.2 The Board believes that management speaks for the Group. In this instance, the Group has adopted a **Communication Policy** and **Corporate Disclosure Policy** to meet or otherwise communicate with various constituencies that are involved with the Group.

10.2.1 COMMUNICATION WITH SHAREHOLDERS

Direct engagement with shareholders provides better appreciation of the Company's objectives, quality of its management and challenges, while also making the Company aware of the expectations and concerns of its shareholders. In this regard, the Company has established the following communication channels with its shareholders:

(A) ANNUAL GENERAL MEETING (AGM)

- (i) The Company regards the AGM as an important event in the corporate calendar of which all Directors and key senior executives should attend.
- (ii) The Company regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM 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 AGM.

- (iv) In addition to the normal agenda for the AGM, the Board presents the progress and performance of the business as contained in the Annual Report and provides opportunities for shareholders to raise questions pertaining to the business activities of the Group. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Where necessary, the Chairman / the Group Managing Director / Chief Executive Officer will undertake to provide written answer to any significant questions that cannot be readily answered at the meeting.

(B) EXTRAORDINARY GENERAL MEETINGS (EGM) WILL BE HELD AS AND WHEN REQUIRED.

The Directors will consider requisitions by shareholders to convene EGM or any other urgent matters requiring immediate attention of the Company.

(C) ANNUAL REPORT

The Directors believe that an important channel to reach shareholders and investors is through the Annual Report. Besides including comprehensive financial performance and information on business activities, the Group strives to improve the contents of the Annual Report in line with the developments in corporate governance practices.

The Company's Annual Report can be obtained by accessing the Company's website at www.vizione.com.my

(D) COMPANY'S WEBSITE

The Company also maintains a website at www.vizione.com.my which can be accessed by shareholders to keep abreast with the Company's development. The Board ensures the timely release of financial results on quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements or press releases made during the year. The shareholders can also leave their queries / feedbacks on the Company's website.

10.2.2 INVESTOR RELATIONS

- (a) The Group also holds briefings / dialogues with institutional investors, fund managers, analysts and research houses. Analysts and investors are briefed as required, in relation to major corporate exercises and pertinent issues within the disclosure requirements of Bursa Malaysia.
- (b) A press conference will also be held after each general meeting. At this press conference the Chairman and/or the Group Managing Director / Chief Executive Officer will provide an insight of the Company's performance for the year, prospects and any specific events within the guidelines of the Company's Corporate Disclosure Policy.
- (c) The Company's website provides easy access to corporate information pertaining to the Company and its activities. The website is continuously updated.

- 10.3 While the Group endeavours to provide as much information as possible to its shareholders and stakeholders, it must also be wary of the legal and regulatory framework governing the release of material and price-sensitive information. All corporate disclosures take into account the prevailing legislative restrictions and requirements as well as the investors need for timely release of price-sensitive information such as financial performance results and statements, material acquisitions, significant corporate proposals as well as other significant corporate events.

In all circumstances, the Group is cautious not to provide undisclosed material information about the Group and continually stresses on the importance of timely and equal dissemination of information to shareholders and stakeholders.

11 RELATIONSHIP WITH OTHER STAKEHOLDERS

- 11.1 In the course of pursuing the vision and mission of the Company, the Board recognises that it would be difficult for any Company to sustainably exist by maximising shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.

11.1.1 EMPLOYEES

- (a) 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.
- (b) In recognising the importance, a comprehensive talent development program has been approved by the Board to chart each employee's future within the organisation.

- (c) The Board is committed to its role in establishing corporate culture which engenders ethical conduct for the Group. In relation thereto, the Board has approved a **Code of Conduct** which commits the Group to ethical values and standards of conduct expected of the Group. It is based upon VHB's vision mission and core values and embodies the several principles contained in various policies adopted by VHB and gives guidance on how employees and other people affected by the Code should apply the core values to the Group's businesses and activities.

- (d) The Board has also approved a **Whistle Blowing Policy** to encourage employees to report any major concerns over any wrongdoing within the Group relating to unlawful conduct, financial malpractice or dangers to the public or the environment. In this respect, the policy makes it clear that any such concern can be raised without fear of victimisation, recrimination, discrimination or disadvantage to the employee reporting the concern. It provides a formal channel to encourage and enable employees to report serious concerns so that such concerns can be properly addressed.

11.1.2 SUSTAINABILITY

- (a) The Board is committed to incorporating sustainability into its actions and practices as part of its responsibility to the environment, social and governance aspects of business. The Board recognises that the goal of sustainable development is to “meet the needs of the present without compromising the ability of future generations to meet their own needs”.

- (b) The Group has developed / will develop specific policies, procedures, directives or guidelines to support, promote or ensure compliance of its Sustainability Policy.

12 DIRECTORS AND OFFICERS LIABILITY INSURANCE

- 12.1 In the course of discharging directors' duties, the directors may be exposed to certain wrongful acts such as error, misstatement, misleading statement, omission, neglect or breach of duty committed or attempted or allegedly made in the course of duties. To the extent allowed by law, the Company / Group will provide Board Members and will pay the premiums for such indemnity and insurance cover while acting in their capacities as directors. Provided always that such wrongful acts occur in good faith and not as a result of dishonesty, fraud, insider trading, malicious conduct, fines, penalties, liabilities arising from intentional breach of contract and liquidated, punitive or exemplary damages.

13 APPLICATION

- 13.1 The principles set out in this Chapter are:
- a) Kept under review and updated as practices on Corporate Governance develop and further guidelines on Corporate Governance are issued by the relevant regulatory authorities;
 - b) Applied in practice having regard to their spirit and general principles rather than to the letter alone; and
 - c) Summarised in the Annual Report as part of a narrative statement by the Directors on Corporate Governance.
- 13.2 Where appropriate, the Board shall take cognizance of the guidelines and principles set out in the Green Book on Enhancing Board Effectiveness, Malaysian Code on Corporate Governance 2012. The Board shall also ensure that the Group shall comply with the relevant laws and regulations in which the Group operates.
- 13.3 The Board shall also endeavour to comply at all times with the principles and practices set out in this Charter.

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