

## **BOARD CHARTER**

### **1. Overview**

The Board Charter sets out the function, composition, roles, duties and responsibilities of the Board of Directors (“the Board”) of AT Systematization Berhad (“ATS” or “the Company”) and also the functions and responsibilities delegated to its Board Committee(s) and its Group.

The Board is collectively responsible in establishing the objectives, provides strategic direction to the Group in achieving its business plan and overseeing the conduct, performance and internal controls of the Group's business activities as well as reviewing of financial and operating performance of the Group. These include determining some of the key strategies, financial and organisational matters such as approval of interim results and annual audited financial statements, significant acquisition and disposal, major capital expenditures and long-term strategic planning including strategies on economic, environmental and social considerations unpinning sustainability for the Group.

In discharging its stewardship, the Board is constantly mindful of safeguarding the interests of the Group's stakeholders and is ultimately responsible for the performance of the Group.

The Board of Directors of ATS recognises the value of good governance of the Malaysian Code of Corporate Governance 2021 which focus on enhancing board effectiveness, strengthening board structure and its composition whilst recognising the roles and duties of each of the Board members.

### **2. Objectives**

The Board Charter was designed to achieve the following objectives:-

- To enable the Board to provide strategic guidance and effective oversight of management;
- To clearly define the roles and responsibilities of members of the Board and management to facilitate Board and management's accountability to the Company and its shareholders; and
- To ensure a balance of authority so that no single individual or group of Directors has unfettered powers.

### **3. The Board of Directors**

#### **3.1 Roles and Responsibilities**

To ensure the effective discharge of its function and duties, the principal responsibilities of the Board include the following specific areas:-

- Reviewing and adopting strategic plans for the Group;
- Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Succession planning including appointing, training, fixing the compensation of and, where appropriate, replacing senior management;
- Developing and implementing an investor relation programme or shareholder communication policy for the Company;
- Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and
- Setting the sustainability strategies and overseeing the overall sustainability performance of the Group.

**BOARD CHARTER (CONTINUED...)**

**3.2 Powers and Duties**

The Board derives its authority to act and managing business of the Company within the scope from the Constitution of the Company and also the laws and regulations governing companies in Malaysia, ie the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“ACE LR”), Securities Commission etc.

The Board shall all times act in good faith and in the best interest of the Company and exercise due care and diligence in discharging their duties.

The decision made by the Board is done collectively without undue influence or dominance by any individual Director or group of Directors, whether Executive or Non-Executive.

The Independent Non-Executive Directors are independent of executive management. They provide balanced, effective and independent views, unbiased judgements, informed opinions to the deliberations and decision making of the Board thus fulfilling an essential and pivotal role in corporate accountability.

The Board and / or through its Nominating Committee would also undertake annual assessment of its Independent Non-Executive Directors.

**4. Board Composition and Size**

The Board determines the Board composition and size, subject to the limits set in the Constitution of the Company. The Constitution provides that the number of Directors (disregarding Alternate Directors but including Executive Directors) shall be at least two and (unless otherwise determined by ordinary resolution) not more than twelve.

The number of Independent Directors is in compliance with Rule 15.02(1)(a) of ACE LR which requires that at least two Directors or one third of the Directors, whichever is the highest are Independent Directors and pursuant to Rule 15.02(1)(b) of ACE LR which requires at least one Director is a woman.

The Board of Directors of ATS currently consists of six members, comprising two Executive Directors, one Non-Independent Non-Executive Director and three Independent Non-Executive Directors one of whom is also the Chairman.

The Executive Directors have overall responsibilities over the development of corporate objectives, operational, organisational, business units and implementation of Board decisions and policies. The Executive Directors are tasked to implement the Board's decisions and policies whilst overseeing operations and coordinating business decisions.

The role of management is to support the Executive Directors and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

**BOARD CHARTER (CONTINUED...)**

**5. Chairman**

The Board will appoint a Chairman from among the Directors.

The position of Chairman and CEO must be held by different individuals.

The Chairman is responsible for running the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board discussions. In fulfilling this role, he amongst others carries out the following:-

- (i) ensuring that appropriate procedures are in place to govern the Board's operations;
- (ii) setting the agenda, style and tone of Board deliberations, facilitating effective review, analysis, discussions and contributions by each Director with sufficient time allocated for discussion of complex and contentious issues, encouraging constructive debate so as to enable a sound decision making process;
- (iii) ensuring accurate and timely information, in particular about the performance of the Company, is furnished to Board members;
- (iv) leading efforts to address the Board's developmental needs; and
- (v) chairing of general meetings, and ensuring a smooth, open and constructive dialogue between the Board and the shareholders.

**6. Board Committees**

The Board of Directors has established five Committees in fulfilling its duties and responsibilities, as follows:-

1. Audit and Risk Management Committee
2. Nominating Committee
3. Remuneration Committee
4. Investment Committee
5. Share Issuance Scheme Committee

Each Committee has its own functions and delegated roles, duties and responsibilities.

Each Committee has an obligation to report, table and deliberate its Meetings to the Board of Directors to take note.

The Independent Non-Executive Directors sit in the above first three Committees.

**6.1 Audit and Risk Management Committee**

The primary objective of the Audit and Risk Management Committee is to assist the Board in discharging its responsibilities relating to management of principal risks, internal control, accounting and financial reporting practices of the Group. In addition, the Audit and Risk Management Committee shall:-

- Evaluate the internal and external audit processes;
- Ensure transparency, accountability and integrity of the Group's activities;
- Oversee compliance with the statutory and legal requirements and observance of a proper code of conduct; and
- Maintain regular scheduled meetings and direct communication among the Board, internal and external auditors, and senior management.

**BOARD CHARTER (CONTINUED...)**

**6. Board Committees (Continued...)**

**6.1 Audit and Risk Management Committee (continued...)**

The Audit and Risk Management Committee acts as the Board's principal agent to ensure the independence of the Company's external auditor, the integrity of management and the adequacy of disclosures to shareholders.

The duties and responsibilities of the Audit and Risk Management Committee include the following:-

- To review with the external auditors, the audit scope and plan, evaluation of the system of internal controls and audit report;
- To review the internal audit programme, processes, the results of the internal audit, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- To review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- To review the external and internal audit reports to ensure appropriate and prompt remedial action is taken by management on major deficiencies in controls or procedures that are identified;
- To recommend to the Board on the appointment and the annual re-appointment of external and internal auditors, their audit fees and any question of resignation or dismissal;
- To review the assistance given by the Group's officers to the external and internal auditors, and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information;
- To review the quarterly results and year-end financial statements of the Group and the Company, prior to the approval by the Board, whilst ensuring that they are prepared in a timely and accurate manner, focusing particularly on:-
  - changes in or implementation of major accounting policies;
  - significant adjustments and unusual events;
  - the going concern assumption; and
  - compliance with accounting standards and other legal requirements;
- To review any related party transaction and/or conflict of interest situation and/or potential conflict of interest situation that may arise within the Group or the Company including any transaction, procedure or course of conduct that raises questions of management integrity;
- To review procedures in place to ensure that the Group is in compliance with the ACE Market Listing Requirements of Bursa Securities, applicable approved accounting standards issued by Malaysian Accounting Standards Board and Companies Act 2016 ("the Act") in Malaysia and other relevant legislative and reporting requirements;
- To review the external auditors' management letter and management's response;
- To convene meetings with the external auditors, internal auditors or both, excluding the attendance of other Executive Directors and senior management, whenever deemed necessary;

**BOARD CHARTER (CONTINUED...)**

**6. Board Committees (Continued...)**

**6.1 Audit and Risk Management Committee (continued...)**

The duties and responsibilities of the Audit and Risk Management Committee include the following (continued...):-

- To consider the major findings of internal investigations and management's response;
- To verify the allocation of options pursuant to a Share Issuance Scheme complies with the allocation criteria;
- To review disclosures statements/report relating to management of sustainability matters of the Company in Annual Report;
- To provide assurance to the Board of Directors that a sound risk management and internal control systems are in place and in line with the regulatory and authorities requirements;
- To oversee and recommend sound risk management frame work, policies and procedures of the Group which addresses the business, operational, financial, social, economic, environmental and compliance risks;
- To review the Group and its subsidiaries' risk profiles and exposures and evaluate the measures taken to mitigate the business risks;
- To monitor that management maintains sound risk management processes which identifies, assesses and manages the Group's business risks;
- To review business continuity and contingency plans to ensure the Group's ability to operate as a going concern and minimise losses in the event of severe business disruption;
- To ensure resources and processes are in place to enable the organisation to achieve its sustainability commitments and targets; and
- To carry out other responsibilities, functions or arrangements as may be defined by the Board of Directors and/or under the Listing Requirements of Bursa Securities for the ACE Market from time to time.

**BOARD CHARTER (CONTINUED...)**

**6. Board Committees (Continued...)**

**6.2 Nominating Committee**

The Nominating Committee shall be responsible in ensuring the appropriate Board balance and size, and that the Board has a required mix of responsibility, skills and experience. An annual review of the mix of skills, experience and other core competencies of the Board shall be made by the Nominating Committee.

The duties and responsibilities of the Nominating Committee include the following:-

- To review regularly the Board structure, size and composition and make recommendations to the Board with regard to any adjustments thereof and/or the appointment of directors, as the Nominating Committee deems necessary;
- To consider, in making its recommendations, candidates for directorships proposed by the Chairman/Managing Director of the Company and within the bounds of practicability as well as to make recommendations to put in place the plans for succession;
- To assist the Board to review the required mix of skills and experience and other qualities including core competencies which Non-Executive Directors should bring to the Board and to assess the effectiveness of the Board, any other committees of the Board and the contributions of each individual director of the Company on an annual basis or as when required by the Board;
- To recommend to the Board for continuation or discontinuation in service of Directors as an Executive Director or Non-Executive Director;
- To recommend Directors who are retiring by rotation to be put forward for re-election;
- To recommend to the Board the engagement of the services of such adviser as it deems necessary to fulfil the Board's responsibilities; and
- To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

**BOARD CHARTER (CONTINUED...)**

**6.3 Remuneration Committee**

The Remuneration Committee is set up to provide recommendations to the Board on the remuneration of the Executive Directors in all its forms so that the remuneration are structured to link rewards to corporate and individual performance.

The duties and responsibilities of the Remuneration Committee include the following:-

- To determine and agree with the Board the framework or board policy for the remuneration, in all forms, of the Executive Directors and/or any other persons as the Committee is designated to consider by the Board and getting professional advice as and when necessary;
- To determine and recommend to the Board any performance related pay schemes for the Executive Directors and/or any other persons as the Committee is designated to consider by the Board;
- To determine the policy for and scope of service agreements for the Executive and Non-Executive Directors, termination payment and compensation commitments;
- To recommend to the Board the appointment of the services of such advisers or consultants as it deems necessary to fulfil its responsibilities;
- To produce any required reports as may be required from time to time; and
- To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

**6.4 Investment Committee**

The primary purpose of the Investment Committee is to assist the Board in reviewing investment policies, strategies and performance of the Company and its subsidiaries.

The duties and responsibilities of the Investment Committee include the following:-

- Review the investment policies, strategies, and programs of the Company and its subsidiaries to ensure they are consistent with the goals and objectives of the Company;
- Determine that investment constraints are consistently followed and that procedures are in place to ensure that the investment portfolio is managed in compliance with the investment policy and applicable investment constraints;
- Delegate authority to management to execute individual investment transactions on behalf of the Company within policies and limits approved by the Committee;
- Review the performance of the investment portfolios of the Company and its subsidiaries;
- Make periodic reports to the Board; and
- Have the authority to hire legal, accounting, financial or other advisors as they may deem necessary in their judgment with due regard to cost, without the need to obtain the prior approval of any officer of the Company.

**BOARD CHARTER (CONTINUED...)**

**6. Board Committees (Continued...)**

**6.5 Share Issuance Scheme Committee**

The primary purpose of the Share Issuance Scheme Committee is to assist the Board in implementing and administering the Share Issuance Scheme (“SIS”) in accordance with the By-Laws of the SIS (“By-Laws”).

The duties and responsibilities of the Share Issuance Scheme Committee include the following:-

- Develop and maintain the Company's policies and implementation guidelines in relation to the granting of options in accordance with the By-Laws;
- Approve and determine the manner in which options are granted to and subsequently exercised by eligible persons in accordance with the provisions of the By-Laws, including, inter alia, the determination of eligibility, grant level, terms of acceptance of offer, terms of exercise of the options, performance conditions and any other terms and other conditions imposed, at the discretion of the SIS Committee provided always that no member of the SIS Committee shall participate in any deliberation or decision in respect of options to be granted to himself;
- Recommend grants of options to the directors for the approval of the Board and the Company's members in a general meeting (for new options Scheme);
- Determine the price at which the Grantee is entitled to subscribe for shares under an Option in accordance with the By-Laws;
- Extend, at the SIS Committee's discretion, the option period of any options which would have otherwise lapsed and become null and void in accordance with the provisions of the By-Laws;
- Determine whether or not to suspend (and if so, to later decide to lift such suspension of) the rights in respect of any option of a Grantee in the event of the commencement of Disciplinary Proceedings (whether or not such Disciplinary Proceedings will give rise to a dismissal or termination of service) against such Grantee or determine any reduction in the number of shares comprised in the options held by that Grantee which are unexercised at the time or determine whether or not the Grantee may continue to exercise his options and to impose any limits, terms and conditions as it deems appropriate in respect of such exercise;
- In the event of an alteration in the capital structure of the Company in the manner as prescribed in the By-Laws, to make any alterations to the number of shares comprised in an option, so far as they are unexercised, the Option Price and/or manner of the exercise of the options;
- Determine, in the event of the cessation of the employment of a Grantee if cessation occurs by reason of the events set out in the By-Laws or in the event of the death of any Grantee before any expiry of the Option Period, any acceleration of the exercise of options, as yet unexercised and the times and period at or within which such accelerated options may be exercised (provided that no option shall be exercised after the expiry of the Option Period);
- Approve and prescribe the letter of offer, form of acceptance of offer and notice of exercise of options for the Company's and/or eligible employees' use (where applicable) in accordance with the terms of the By-Laws;
- Approve the vesting of options granted as approved by the Board; and
- Perform such other duties and functions as may be requested by the Board.



**BOARD CHARTER (CONTINUED...)**

**7. Board Meetings and Procedures**

The Board meets at least once every quarter with additional meetings convened as and when necessary. The Board meets within two months from the end of every quarter of the financial period, where the Group's financial results are deliberated and considered prior releasing them to Bursa Malaysia Securities Berhad ("Bursa Securities") and the Securities Commission.

The Chairman of the Company is currently a Non-Executive Director but the Directors may appoint one of their members to be Chairman when the need arises. If at any meeting the Chairman is not present within fifteen minutes after the time appointed for the meeting, the Directors present may choose one of their number to be Chairman of the meeting.

Directors or members of a committee of Directors (as the case may be) may participate in a meeting of Directors or a committee of Directors (as the case may be) by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

In accordance with Clause 154 of the Company's Constitution, a resolution in writing signed or approved in writing by a majority of the Directors for the time being entitled to receive notice of a meeting of the Directors, shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted. All such resolutions shall be described as "Directors' Resolution in Writing" or "Directors' Written Resolution" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's minute book. Any such resolution may consist of several documents or counterparts in like form, each signed by one (1) or more Director or their alternates and may be accepted as sufficiently signed by a Director if transmitted to the Company by facsimile or other forms of electronic communications purporting to include a signature or the written approval of the Director.

In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, Board approvals are sought via circular resolutions, which are attached with sufficient and relevant information required for an informed decision to be made.

Where a potential conflict arises in any transaction involving any particular Director's interest, such Director is required to declare his interest and abstain from discussion and the decision-making process.

**BOARD CHARTER (CONTINUED...)**

**8. Appointment and Retirement of Directors**

In accordance with Clause 131 of the Company's Constitution, at the first Annual General Meeting of the Company, all the Directors shall retire from office and an election of Directors shall take place each year. At every subsequent Annual General Meeting, one-third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office, and if there is only Director who is subject to retirement by rotation, he shall retire provided always that all Directors shall retire from office at least once in every three years but shall be eligible for re-election.

Subject to the Act, the Directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

Pursuant to Rule 15.06 of ACE LR, the directorships entitled to be held by each Director at a Board at any one time shall not exceed five (5) in listed companies as and may determine by Bursa Securities from time to time.

**9. Alternate Directors**

Any Director (other than an Alternate Director) may appoint any person (except another Director) approved by a majority of his co-Directors and willing to act, to be an alternate Director, provided that any fee paid by the Company to the alternate shall be deducted from that Director's remuneration.

An Alternate Director shall be entitled:-

- to attend and vote at any such meeting at which the Director appointing him is not personally present;
- (in his appointor's absence from Malaysia) to sign any resolution in writing under Clause 154 of the Company's Constitution and documents to be or which may be signed by him and to sign on his appointor's behalf documents to be signed by his appointor as a Director; and
- to generally perform all the functions of his appointor as a Director in his absence from Malaysia.

An Alternate Director shall cease to be an Alternate Director if his appointor ceases to be a Director, but, if a Director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately before his retirement shall continue after his reappointment.

Any appointment or removal of an Alternate Director shall be by notice to the Company (deposited at the Registered Office) signed by the Director making or revoking the appointment or in any other manner approved by the Directors.

**BOARD CHARTER (CONTINUED...)**

**10. Vacation of Office of Directors**

The office of a Director shall be vacated if he:-

- becomes bankrupt or enters into any arrangement or composition with his creditors generally;
- ceases to be a Director by virtue of any provision of the Act or becomes prohibited by law from being a Director;
- becomes disqualified from being a Director under the Act or the Listing Requirements;
- becomes of unsound mind or lunatic in Malaysia or elsewhere or an order is made by any court or other competent authority claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a committee or other person (by whatever name called) to exercise powers with respect to his property and/ or affairs;
- is removed from office by ordinary resolution of the Company;
- is convicted of any offence (whether in Malaysia or elsewhere) involving fraud or dishonesty or of an offence (whether in Malaysia or elsewhere) punishable on conviction with imprisonment for three months or more;
- resigns his office by notice in writing to the Company;
- has retired in accordance with the provisions of the Act or this Constitution but is not re-elected; and
- is absent from more than fifty percent of the total Board of Directors' Meeting held during a financial year unless an exemption or waiver is obtained from the Exchange.

**11. Remuneration of Directors**

The fees of the Directors shall from time to time be determined by the Company in general meeting but the remuneration of the Executive Directors shall from time to time be determined by the Board of Directors.

The fees payable to the 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 convening the meeting. The fees payable to Non-Executive Directors shall be a fixed sum and not by a commission on or percentage of profits or turnover and the remuneration payable to Executive Directors may not include a commission on or percentage of turnover. Any fee paid to an Alternate Director shall be agreed between him and his appointor and shall be deducted from his appointor's remuneration.

The Directors may be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of Directors or general or other meetings of the Company or in connection with the business of the Company.

**BOARD CHARTER (CONTINUED...)**

**11. Remuneration of Directors**

The Directors may grant special remuneration to any Director who (on request by the Directors) is willing to:-

- render any special or extra services to the Company; or
- to go or reside outside his country of domicile or residence in connection with the conduct of any of the Company's affairs.

Such special remuneration may be paid to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be paid in a lump sum or by way of salary, or by a percentage of profits, or by all or any of such methods but shall not include (where such special remuneration is paid by way of salary) a commission on or a percentage of turnover.

The Remuneration Committee shall set a policy framework for the remuneration of the Executive Directors and deliberate on the remuneration packages for the Non-Executive Directors and thereafter, shall give their recommendations to the Board of Directors for approval.

**12. Declaration of Interests / Conflict of Interest**

Subject to the Act, the ACE LR and Clause 146 of the Company's Constitution, and provided that a Director has disclosed to the remaining Directors the nature and extent of any material interest of his, a Director notwithstanding his office:-

- may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, anybody corporate promoted by the Company or in which the Company is otherwise interested;
- shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate (unless the Company by ordinary resolution determines otherwise) and no transaction or arrangement shall be liable to be avoided (whether or not such ordinary resolution is passed) on the ground of any such interest or benefit;
- may act by himself or his firm in a professional capacity for the Company, and he or his firm (as the case may be) shall be entitled to remuneration for professional service but nothing in this Constitution shall authorise a Director or his firm to act as auditor of the Company.

A general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified and an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

**BOARD CHARTER (CONTINUED...)**

**13. Access to Information**

The Directors have full and timely access to information pertaining to the Group's business and affairs to enable them to discharge their duties effectively. Prior to each Board meeting, a full set of Board papers together with the agenda would be forwarded to the Board members to allow the Directors to study and evaluate the matters to be discussed and subsequently make effective decisions.

The Directors have unrestricted access to the advice and services of the Company Secretaries and senior management staff of the Group. The Directors may obtain independent professional advice where necessary at the Company's expense in the furtherance of their duties. The Directors are also regularly updated by the Company Secretaries on new statutory, corporate and regulatory developments relating to Directors' duties and responsibilities in order to assist them in the discharge of their duties as Directors of the Company and ensuring the effective functioning of the Board.

The Directors may seek advice from the management on issues under their respective purview. The Directors may also interact directly with the management, or request further explanation, information or updates on any aspect of the Company's operations or business concerns from them. In addition, the Board may seek independent professional advice at the Company's expense on specific issues to enable it to discharge its duties in relation to matters being deliberated.

**14. Directors' Training**

In compliance with the ACE LR, all Directors are required to attend Mandatory Accreditation Programme (Part I and Part II) prescribed by Bursa Securities.

The Directors are mindful that they should continue to attend training programmes to enhance their skills and knowledge where relevant, as well as to keep abreast with the changing regulatory and corporate governance developments.

The Directors receive regular briefings and update on the latest changes and developments on the Group business, operation, industries, financial position and changes to the relevant legislations, rules and regulations.

**BOARD CHARTER (CONTINUED...)**

**15. Role of the Company Secretaries**

The Company Secretaries who report to the Board of Directors have an important role in advising and assisting the Board of Directors and Committees in achieving good corporate governance and ensuring that the Company complied with the statutory requirements, rules and regulations.

The roles of the Company Secretaries are:-

- To ensure the Company's statutory records, register books and documents are properly maintained;
- To attend and ensure proper conduct and procedures at the Annual General Meetings, Extraordinary General Meetings, Board Meetings, Committees' Meetings and any other meetings (where necessary); and
- To ensure that the interests of the Board and Company are protected.

**16. Financial Reporting**

The Board has established a transparent relationship with the external auditors through the Audit and Risk Management Committee, which has been accorded with the power to communicate directly with the external auditors towards ensuring compliance with the accounting standards and other related regulatory requirements.

The Audit and Risk Management Committee undertakes an annual assessment of the suitability and independence of the external auditors. It is the policy of the Audit and Risk Management Committee to meet with the external auditors at least twice a year to discuss their audit plan, audit findings and the Company's financial statements. At least one of these meetings is held without the presence of the Executive Directors and the management. The Audit and Risk Management Committee also meets with the external auditors additionally whenever it deems necessary. In addition, the external auditors are invited to attend the Annual General Meeting of the Company and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and contents of their audit report.

**BOARD CHARTER (CONTINUED...)**

**17. Internal Audit Function**

The Group outsourced its internal audit function to an independent professional firm of consultant, which provides the Board with much of the assurance it required regarding the effectiveness as well as the adequacy and integrity of the Group's system of internal controls.

**18. Relationship with Shareholders and Investors**

The Board recognises the importance of effective communication with its shareholders, investors and all other stakeholders. As such, the Board has maintained a high level of disclosure by providing timely, clear and comprehensive information through readily accessible channels to explain the Group's strategy, performance and major developments. Besides, all shareholders have an opportunity to participate in discussion with the Board on matters relating to the Company's operation and performance at the Company's General Meetings.

The Group's announcements may be obtained via the Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com). In addition, the Company has also established a website at [www.atsvs.com.my](http://www.atsvs.com.my) to provide information on the Group's business activities.

**19. Employees**

There is no discrimination between genders or among races in the workplace. The Company and its subsidiaries offer insurance benefits to its employees amongst others which include group hospitalisation, surgical insurance and group personal accident insurance.

Other staff appreciation and recognition efforts inclusive of festive gathering, annual dinner, and presentation of memorable gifts to the long-serving employees during the Group's Annual Dinner.

**20. Corporate Social Responsibilities**

The Company and its subsidiaries believed that pursuit of business objectives needs to be balanced with the employees, environment and social welfare responsibilities. As such, the Group uses its best endeavor on an ongoing basis to integrate corporate social responsibilities practices into its business operations.

**21. Review of the Board Charter**

The Board of Directors shall review and amend the Board Charter as and when necessary to determine its adequacy in line with the current circumstances, the Company's policies and applicable rules and regulations in the ACE LR.

This Board Charter was reviewed and approved by the Board on 23 May 2024.