

<b>ANCOM LOGISTICS BERHAD</b> [Registration No.: 196601000150 (6614-W)] (Incorporated in Malaysia)	Date of Revised Statement :	11/07/2024
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## BOARD CHARTER

### 1. INTRODUCTION

This Board Charter is designed to provide the Board of Directors of the Company (collectively the “Board” and individually the “Director/s”) with greater clarity regarding the roles of the Board; the responsibilities of Directors of the Company in carrying out their roles and discharging their duties to the Company and its subsidiaries (“Group”); and the Board’s operating practices.

The Board has established this Board Charter based on the key values, principles and ethos of the Company, and the policies and strategy development are based on these considerations.

All Directors are expected to show good stewardship and act in a professional manner in accordance with the appropriate standards of good corporate governance.

The Board is committed to adopting a Corporate Governance Framework, which complies with the principles of the Malaysian Code on Corporate Governance 2017 (“MCCG 2017”), where applicable, to the Group’s unique operational and business environment.

### 2. PURPOSE

The Board Charter sets out the authority, roles, functions and composition of the Board to assist the Directors to be aware of their duties and responsibilities to effectively discharge their fiduciary duty in managing the affairs of the Group.

### 3. THE BOARD

#### 3.1. Composition

The Constitution of the Company provides that the Board of the Company shall consist of a minimum of two (2) and a maximum of eleven (11) Directors. The ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) stipulates that at least two (2) or one-third (1/3) of the Directors, whichever is higher, shall be Independent Directors.

The Board is led by a Chairman who is a Non-Independent Non-Executive Director and consists of an Executive Vice Chairman (“EVC”), a Non-Independent Non-Executive Director and four (4) Independent Directors. Management of the day-to-day business of the Company is led by the EVC and supported by the Deputy Chief Executive Officer and Heads of Business Units.

The Board should comprise Directors who are persons of calibre with a wide range of experience, business acumen, skills and functional knowledge in business and public services, and who come from diverse academic backgrounds encompassing legal, accounting, economics, corporate finance and marketing.

A majority of Non-Executive Directors should be present on the Board to provide the necessary checks and balances on the conduct of the EVC in managing the business of the Company and the Group. In particular, the Independent Non-Executive Directors shall be persons independent of management and free from any business or other relationship so as to bring an independent

judgement to bear on the issues of strategy, business performance, resources and standards of conduct and to provide independent views in the Board's discussion. Independent Non-Executive Directors should participate actively in the Board Committees of the Company.

All Board members shall notify the Chairman of the Board before accepting any new directorship in other companies. In addition, all Board members shall remain mindful of the limits of directorship in public listed companies specified by the Listing Requirements when accepting new directorship roles. The notification shall include an indication of time that will be spent on the new appointment.

The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and the Board Committees. The Remuneration and Nomination Committee is tasked with reviewing and determining the mix of skills, experience and other qualities, including core competencies of Non-Executive Directors periodically or whenever the Board deems necessary. In assessing the suitability of candidates, consideration will be given to their competencies, commitment, expected contribution and performance.

### **3.2. Roles of the Chairman of the Board and EVC**

The roles of the Chairman of the Board are distinct and separated with clear division of responsibilities to ensure a balance of power and authority. The Chairman of the Board carries out a leadership role and is primarily responsible for ensuring the Board's effectiveness and conduct in discharging its responsibilities.

The principal duties and responsibilities of the Chairman of the Board are as follows:

- Providing leadership for the Board so that the Board can perform its responsibilities effectively;
- Setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;
- Leading Board meetings and discussions;
- Encouraging active participation and allowing dissenting views to be freely expressed;
- Managing the interface between Board and Management;
- Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole; and
- Leading the Board in establishing and monitoring good corporate governance practices in the Company.

On the other hand, the EVC has overall responsibility for the day-to-day management of the Group's business and operations and for implementing the Board's policies and decisions. He is supported by the Management team which consists of the Deputy Chief Executive Officer, the Chief Financial Officers and the Head of the Operating Units.

### **3.3. Duties and Responsibilities of the Board**

The Board is responsible for the Group's overall strategic direction, business and financial performance, risk management, internal control and management, information systems and investor relations. The principal duties and responsibilities of the Board are as follows:

- Formulate and chart the strategic direction and set out the Group's short-term and long-term plans and objectives;
- Overseeing the governance of sustainability and in setting up the Group's sustainability strategies;

- Review and approve the Group's key operational policies and initiatives and major investments in new business/ projects and funding decisions of the Group;
- Oversee and review the Group's business operations and financial performances;
- Ensure the Company's strategic plan supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- Oversee the development, implementation and review of the succession plan for the Directors and key senior management;
- Oversee the development, implementation and reviewing/monitoring of the Group's risk management framework in managing the business, operational, financial, compliance and ESG risks as well as bribery and corruption risks faced by the Group;
- Ensure the Group has in place adequate and effective internal control system and management information system to ensure compliance with the relevant laws, rules, regulations, directives, guidelines and the business objectives of the Group;
- Ensure the Company has in place procedures to enable effective communication with stakeholders;
- Ensure the integrity of the Company's financial and non-financial reporting; and
- Formulate and promote ethical and good corporate governance within the Group which reinforces ethical, prudent and professional behaviour.

#### **3.4. Board Reserved Matters**

The Board reserves a formal schedule of matters for the Board's deliberation and approval. This includes, among others, the following matters:-

- i. Strategic issues and planning, including sustainability;
- ii. Budget and performance reviews;
- iii. Quarterly financial results and audited financial statements;
- iv. Dividend policy or declaration of dividends;
- v. Material capital expenditures;
- vi. Material borrowings;
- vii. Strategic investments, mergers and acquisitions and corporate exercises;
- viii. Treasury policies;
- ix. Authority matrix;
- x. Key human resources issues;
- xi. Material acquisitions and disposals of undertakings and properties; and
- xii. Conflict of interest issues relating to a substantial shareholder or a Director including approving material related party transactions.

#### **3.5. Duties and Responsibilities of Individual Directors**

A Director shall at all times exercise his powers for a proper purpose and in good faith in the best interest of the Group and shall act honestly and use reasonable care, skill and diligence in the discharge of the duties of his office. He must act with integrity, led by example, keep abreast of his responsibilities as a Director and of the conduct, business activities and development of the Company. One shall not make use of any information acquired by virtue of his position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company.

#### **3.6. Roles of the Chairman**

The Chairman carries out a leadership role and is primarily responsible for ensuring the Board's effectiveness and conduct in discharging its responsibilities as well as instilling good corporate

governance practices. The EVC shall assist the Chairman in performing the latter's duties and responsibilities.

The principal duties and responsibilities of the Chairman are as follows:

- Providing leadership for the Board so that the Board can perform its responsibilities effectively;
- Setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;
- Leading Board meetings and discussions;
- Encouraging active participation and allowing dissenting views to be freely expressed;
- Managing the interface between Board and Management;
- Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole; and
- Leading the Board in the adoption and implementation of good corporate governance practices in the Company.

### **3.7 Roles of EVC**

The EVC is accountable to the Board for the achievement of the Group's mission, goals and objectives. The primary job tasks for the EVC are as follows:-

- Strategy development, monitoring and tracking;
- Business development;
- Regulation;
- Performance management;
- Human resources management;
- Risk management; and
- Stakeholder management.

The EVC is supported by the Management team which consists of the Deputy Chief Executive Officer and the Chief Financial Officer and the various Unit Heads.

### **3.8 Roles of Non-Executive Directors ("NEDs")**

NEDs act as a channel of communication between management, shareholders and other stakeholders. They provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied. To discharge their duties effectively, NEDs need to be sound in judgement and to have an inquiring mind. They should question intelligently, debate constructively, challenge rigorously and decide dispassionately.

The responsibilities of NEDs are, amongst others:-

- advising and directing management in the development and evaluation of strategy;
- scrutinising the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance;
- satisfying themselves that the financial information presented is accurate; and
- reviewing the risk management and internal control systems to ensure that they are robust and defensible.

### **3.9 Board Committees**

The Board may from time to time establish Board Committees as it considers appropriate to assist in carrying out its duties and responsibilities.

The Board has established an Audit Committee and a Remuneration & Nomination (“R&N”) Committee which are entrusted with specific responsibilities to oversee the affairs of the Company. These Committees have the authority to act on behalf of the Board in accordance with their respective Terms of Reference, which are available on the Company’s website at [www.ancomlogistics.com.my](http://www.ancomlogistics.com.my).

The Board Committees do not make decision on behalf of the Board. Each Board Committee examines particular issues that are within their respective Terms of Reference and make the necessary recommendations to the Board for the Board’s consideration and approval.

### **3.10 Board Meetings**

Board meetings are held quarterly, with additional meetings convened as and when necessary, as determined by the Chairman or the EVC. The proceedings of Board meetings shall be in accordance with the Constitution of the Company.

At the end of each calendar year, the Company Secretaries shall draw up a proposed timetable for the meetings of the Board, Board Committees and annual general meeting (“AGM”) to be held in the next calendar year. This facilitates the Directors to plan their attendances at the Board/Committee meetings and AGM. The notice of every Board and Board Committees’ meeting shall be served at least seven (7) days before the meeting (or a shorter period where it is unavoidable provided that the issue to be deliberated is a matter of urgency).

Prior to the Board/Board Committee meetings, the Directors are provided with an agenda on matters to be discussed together with the meeting papers which contain minutes of meetings, operational and financial performance reports, details of corporate proposals, the quarterly Interim Financial Reports or the annual Audited Financial Statements, reports of the Board Committees, Internal Audit Reports and other matters for the Directors’ and Board Committees’ members perusal. The Company Secretaries should ensure that meeting materials are circulated to the Directors at least five (5) business days prior to the Board meetings. Directors are expected to review in advance the meeting papers to facilitate meaningful deliberation during each meeting.

Directors may participate in a meeting of the Board or Board Committees in person or by means of a conference telephone, video, electronic or such other communication facilities which would permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. Participation by a person in a meeting by conference telephone, video, electronic or such other communication facilities shall be treated as if that Director is present in person at the said meeting and shall be counted towards the quorum notwithstanding the fact that he/she is not physically present at the venue where the meeting is to be held. For the avoidance of doubt, such a meeting shall be deemed to be held at the place where the Chairman of the meeting is at the start of the meeting.

The Board ensures that the minutes of meetings accurately reflect the deliberations and decisions of the Board, including the proceedings of the meeting, pertinent issues or dissenting views, substance of inquiries or responses, members’ suggestions, rationale behind the decisions made, and whether any Director abstained from voting or deliberating on a particular matter. The

Company Secretaries ensures that the minutes of meetings are circulated for the Directors' review and comments in a timely manner.

All Directors must meet the minimum 50% attendance requirement imposed by the Listing Requirements. Senior management or external parties such as auditors, solicitors, advisers or consultants appointed by the Company may be invited to attend the Board meetings on matters relating to their areas of responsibility and to provide the Board with explanations or clarification to facilitate the Board in making informed decisions.

The decisions of the Board are decided by a simple majority of votes of the Directors present at the Board meetings. In the event of an equality of votes, the Chairman shall have a second or casting vote except where only two (2) Directors are present or only two (2) Directors are competent to vote on the particular issue. In the event there are personal interests/conflict of interests in respect of any matter, the Director concerned must declare his interests and excuse himself from the discussion and the meeting and abstain from voting on the matter.

In the event matters requiring the Board's decision arise between Board meetings, such matters shall be resolved via written resolutions which shall be supported by relevant papers setting out details of the subject matter. Such written resolutions signed or approved by a majority of the Directors for the time being, if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the Director shall be as valid and effectual as if it were a resolution duly passed at a Board Meeting.

### **3.11 Conflict of Interest and Transaction involving Directors**

The Board is committed to maintaining the highest ethical and governance standards in managing the affairs of the Group. Accordingly, the Directors and Senior Management of the Group are expected to conduct themselves with integrity, impartiality and professionalism at all times, and to avoid any conflict of interest that may arise in the performance of their duties as spelt out in the Company's Conflict-of-Interest Policy, which is available on the Company's website at [www.ancomlogistics.com.my](http://www.ancomlogistics.com.my).

### **3.12 Appointment of Directors**

The appointment of a new Director is a matter for consideration and decision by the Board, upon recommendation from the R&N Committee. The Board shall review its composition and evaluate the need to bring new skills and perspective to the boardroom.

In assessing the suitability of candidates and making its recommendation, the R&N Committee shall consider the character, competence, experience, integrity, time commitment, expected contribution and performance of the candidates, as well as diversity factors including ethnicity and age distribution of the Directors, to maintain a balanced Board composition. The composition of the Board shall be guided by the Company's Diversity Policy, which is available on the Company's website at [www.ancomlogistics.com.my](http://www.ancomlogistics.com.my).

The fit and proper assessment on any person identified to be appointed as a Director shall be conducted prior to the appointment. The Board and the R&N Committee, in conducting the fit and proper assessment, shall be guided by the Company's Directors' Fit and Proper Policy, which is available on the Company's website at [www.ancomlogistics.com.my](http://www.ancomlogistics.com.my).

New Directors are expected to have such expertise as to qualify them to make a positive contribution to the Board performance of its duties. New Directors are required to commit sufficient time to attend the Company's meetings or matters before accepting his/her appointment to the Board.

No person shall be appointed, re-appointed, elected or re-elected as a Director on the Board or continue to serve as a Director if the person is or becomes an active politician. A person is considered an "active politician" if he is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council, or division level in a political party.

### **3.13 Re-election of Directors**

In accordance with the Company's Constitution, an election of Directors shall take place each year at the AGM where one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of the AGM, provided always that all Directors shall retire from office at least once in every three (3) years, and shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

The Board and the R&N Committee will consider the performance, contribution, and independence of the Director (through the annual evaluation of the individual Directors) and conduct the fit and proper assessment prior to making recommendation for re-election of the existing Director. The fit and proper assessment shall be guided by the Company's Directors' Fit and Proper Policy.

Motions to re-elect Directors are voted on individually.

### **3.14 Familiarisation with Business and Ongoing Training**

New members of the Board are provided with background material and are offered Management briefings on strategic and other issues affecting the Company and the Group. Directors are expected to acquire and maintain sufficiently detailed knowledge of the Company's and the Group's business and their ongoing performance to enable the Board to make informed decisions on the issues before the Board. Directors are encouraged to attend appropriate courses and training programmes at the Company's expense to ensure they are able to perform their duties as Directors of the Company at the highest standards.

### **3.15 Tenure of Independent Directors**

The Board had adopted the criteria set out under the definitions of "Independent Director" in the Listing Requirements to assess the independence of the Independent Director. The Board noted recommendation of Practice 5.3 of the MCCG that the tenure of an Independent Director should not exceed a term limit of nine (9) years. Upon completion of nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain an Independent Director beyond nine (9) years in the same capacity, it should provide justifications and seek annual shareholders' approval through a 2-tier voting process.

Pursuant to the definitions in the Listing Requirements, an Independent Director shall be one who has not served as an Independent Director in the Company or any of the companies in the Group ("Said Corporation") for a cumulative period for more than twelve (12) years from the date of his first appointment as an independent director of the Said Corporation.

An Independent Director who has served a cumulative period of more than twelve (12) years can be retained on the Board provided that he/she be re-designated as Non-Independent Non-Executive Director.

### **3.16 Directors' Remuneration**

Directors' remuneration package is dictated by the individual's responsibilities, contributions and performance, comparing actual KPIs against pre-assigned benchmarks to determine performance, as well as market competitiveness.

Directors' fees and any benefits payable to the Directors shall be subject to annual shareholders' approval at a general meeting.

The review of the Directors' fees and benefits payable will be carried out by the R&N Committee on an annual basis for the approval of the Board prior to recommending the same for shareholders' approval at the AGM of the Company. Directors holding executive office shall not be involved in discussion to decide on their remuneration. Directors who are shareholders, and controlling shareholders with a nominee or connected director on the Board should also abstain from voting on the resolution approving Directors' fees at the general meeting.

The assessment in determining the Directors' remuneration shall be guided by the Company's Remuneration Policy, which is available on the Company's website at [www.ancomlogistics.com.my](http://www.ancomlogistics.com.my).

## **4. ACCESS TO INFORMATION AND ADVICE**

All Directors have unrestricted access to information of the Group. They interact with Management on an on-going basis to seek further information, updates or explanation on any aspect of the Group's operations or businesses.

The Board or any Director shall also have access to the advice and services of the Company Secretaries and may engage independent professional advice relating to the affairs of the Group or to his responsibilities as a Director at the Company's expense.

If a Board Committee or Director consider such advice necessary for the discharge of their/his duties and responsibilities as Director or as provided under the Terms of Reference and, for the benefit of the Company, such Board Committee or Director shall first discuss it with the Board and, having done so, shall be free to proceed, where appropriate.

## **5. COMPANY SECRETARIES**

The Company Secretaries play an advisory role to the Board on compliance matters such as company law and the Listing Requirements. The Company Secretaries ensure adherence to the Company's Constitution, Board and Board Committees' policies and procedures as well as pertinent regulatory requirements. They are responsible for the efficient administration of the Company's secretarial practices, particularly with regard to ensuring that the decision of the Board and Board Committees are relayed to management to act upon. They provide updates and assist the Board with interpreting regulatory requirements related to the Company and securities regulations as well as the Listing Requirements.

The Company Secretaries are also involved in facilitating all Company's meetings (i.e. Board meetings, meetings of Board Committees and general meetings), attending and recording minutes of all Company's meetings as well as facilitating Board communication. They also facilitate the orientation of new Directors and assist in Directors' training and development. They



monitor corporate governance developments and assisting the Board in applying governance practices to meet the Board's needs and stakeholders' expectation.

They are involved in managing processes pertaining to the general meetings and serve as a focal point for stakeholder communication and engagement on corporate governance issues.

## **6. CODE OF CONDUCT AND ETHICS**

All Directors of the Group are to maintain the highest degree of integrity and professionalism while promoting transparency and accountability in their actions.

The Company has in place the Code of Conduct and Ethics which is available on the Company's website at [www.ancomlogistics.com.my](http://www.ancomlogistics.com.my). The Code of Conduct and Ethics is formulated to enhance the Board's standard of corporate governance and corporate behaviour through:-

- establishing a standard of ethical behaviour for Directors based on trustworthiness and values that can be accepted and upheld by any one person;
- upholding the spirit of responsibility and social responsibility in line with the Company's legislation, regulations and administrative guidelines; and
- manage conflicts of interest, and prevent the abuse of power, corruption, insider trading and money laundering.

## **7. ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")**

The Board recognises the need for strategies and plans to promote and contribute towards sustainable development, with particular focus on the ESG aspects of business.

The Board has a crucial role in:

- overseeing and integrating ESG factors into the organisation's strategy, operations, and reporting;
- ensuring strong governance structures and practices are in place, including robust board oversight, risk management, and internal controls;
- promoting ethical behaviour and compliance with legal and regulatory requirements;
- leading by example in promoting ESG values throughout the Group;
- fostering a corporate culture that prioritises sustainability and ethical behaviour;
- overseeing the identification and management of ESG-related risks, including environmental, social, and governance risks; and
- ensuring that these risks are incorporated into the Group's overall risk management framework

## **8. ANTI-BRIBERY & ANTI-CORRUPTION POLICY**

The Group adopts a zero-tolerance approach to all forms of bribery and corruption as spelt out in its Anti-Bribery & Anti-Corruption Policy ("ABAC Policy"), which is available on the Company's website at [www.ancomlogistics.com.my](http://www.ancomlogistics.com.my).

The ABAC Policy applies to all individuals working at all levels and grades within the Group, including Directors (including executive and non-executive), employees (permanent, contract and temporary), business partners, contractors, other contracting parties, or any other persons associated with the Group.

**9. WHISTLEBLOWING POLICY**

The Group is committed to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs. For this purpose, the Board has established the Whistleblowing Policy, which is available in the Company's website at [www.ancomlogistics.com.my](http://www.ancomlogistics.com.my) and a Whistleblowing channel has been incorporated in the Company's website to provide an avenue for Directors and employees of the Group and members of the public to raise genuine concerns of any wrongdoing or improper conduct involving the Group and/or its Directors, managers or employees.

The whistleblowing report will be directed to the Chairman of the Audit Committee and the Chief Integrity Officer.

The Board has overall responsibility for the Whistleblowing Policy and overseeing its implementation.

**10. REVIEW AND PUBLICATION OF THE BOARD CHARTER**

The Board shall publish the Board Charter in the Company's website at [www.ancomlogistics.com.my](http://www.ancomlogistics.com.my). The Board shall also review the Board Charter and make necessary amendments to update the Board Charter periodically to ensure that the Board Charter remains relevant and is consistent with the Board's objectives, current regulatory requirements and governance best practices that may have an impact on the discharge of the Board's duties and responsibilities.

Changes to the Board Charter shall be adopted by the Board with a resolution.