



SPRITZER BHD

Registration No. 199301010611 (265348-V)
(Incorporated in Malaysia)

BOARD CHARTER

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Board Charter

1. Purpose of Charter

The Board of Directors (the Board) of Spritzer Bhd (the Company) is ultimately responsible for the stewardship of the Company and its Group. The Board does not actively manage but rather oversees the management of the Group which is delegated to the Managing Director, Group Chief Executive Officer, Executive Director and other officers of the Group.

The Board Charter sets out the role, functions, authority, responsibilities, membership and operation of the Board of Directors of the Company, adopting principles of good corporate governance and practice, in accordance with applicable laws in Malaysia.

2. Authority

The Board derives its authority to act from the Constitution of the Company and the law and regulations governing companies in Malaysia.

3. Role of the Board

As part of the overall stewardship responsibility, the Board's role is to:

- serve the interests of the stakeholders by formulating, overseeing and evaluating the Group's strategies, policies and performance;
- monitor the Group's performance and build sustainable value for stakeholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution and within a framework of prudent and effective controls that enable risks to be assessed and managed;
- set, review and ensure compliance with the Group's values; and
- ensure proper communication with shareholders on the Group's performance and major developments affecting its state of affairs.

4. Division of responsibilities between the Chairman and Chief Executive Officer (“CEO”)

4.1 Responsibilities of the Chairman

The roles and responsibilities of Chairman include:-

- (i) providing leadership to, and overseeing the functioning of the Board to ensure that it acts in the best interests of the Group and that Board meetings are planned and conducted in an effective manner.
- (ii) responsible for setting the agenda for each Board meeting, taking into consideration, where appropriate, matters proposed by the Directors and the Company Secretary for inclusion in the agenda.
- (iii) with the support of Executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly informed of issues arising at Board meetings and provided with adequate and accurate information in a timely manner.
- (iv) actively encourages the Directors to be engaged in the Board’s affairs and contribute to the Board’s functions.

4.2 Responsibilities of CEO

The roles and responsibilities of CEO include:-

- (i) managing the businesses of the Group, coordinating overall business operations, attending to the formulation and successful implementation of Group policies and strategies approved by the Board and assuming full accountability to the Board for all the Group’s day-to-day operations.
- (ii) directly responsible for maintaining the operational performance of the Group.
- (iii) works with the Group Financial Controller and the senior management team and presents annual budgets to the Board for consideration and approval.
- (iv) ensure that the Board is provided with all the necessary information relating to the funding requirements of the businesses of the Group.
- (v) ensure that the funding requirements of the business are met and closely monitors the operating and financial results of the businesses against plans and budgets, taking remedial action if necessary.
- (vi) communicate regularly with the Chairman and all Directors to keep them fully informed of all major business development and issues.

5. Delegation to Committees

The Board may from time to time establish committees as it considers necessary or appropriate to assist it in carrying out its responsibilities and functions.

The Board shall, as a minimum, establish the following committees and shall adopt charters setting out matters relevant to the authority, responsibilities, membership and operation of these committees:

- Audit Committee
- Nominating Committee
- Remuneration Committee

The Board may also delegate specific functions to ad hoc committees as and when required. The powers delegated to these committees are set out in the Terms of Reference of each of the Committees as approved by the Board.

6. Meeting

To efficiently discharge its duties, the Board shall meet periodically (at least once per quarter) and the Committees of the Board of Directors shall meet as circumstances dictate.

All Directors will be provided with advance written notice of Board meetings, including those called at short notice.

Every possible effort will be made to ensure that Board papers tabled at a Board meeting will be made available to all directors attending.

The Management may be invited from time to time to attend the Board meetings, as the Directors deem necessary.

7. Relationship with Management

The Directors may delegate their powers as they consider it appropriate through appropriate manual of delegations or manual of authorities. However, ultimate responsibility for strategy and control rests with the Directors as guided by the Managing Director of the Company.

The Board will be supplied by Management with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate.

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The management function is conducted by, or under the supervision of, the Managing Director as directed by the Board and by other officers to whom management function is properly delegated by the Managing Director.

8. Board responsibilities

8.1 Responsibilities and functions of the Board shall include: -

- input into and final approval of management development of corporate strategy, including setting performance objectives;
- monitoring corporate performance;
- approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting with the guidance of the Audit Committee. The Board shall ensure that the financial statements are prepared in accordance with the Companies Act 2016 and applicable financial reporting standards so as to give a true and fair view of the state of affairs of the Company and the Group;
- reviewing, ratifying and monitoring systems of risk management and internal control under the guidance of the Audit Committee. This includes reviewing procedures to identify the main risks associated with the Group's businesses and the implementation of appropriate measures to manage these risks;
- selecting, appointing and evaluating from time to time the performance of, and planning succession of the Managing Director under the guidance of the Nominating Committee;
- reviewing and approving remuneration of the Managing Director, Chief Executive Officer, Executive Director and the Non-Executive Directors under the guidance of the Remuneration Committee;
- monitoring Board composition, processes and performance with the guidance of the Nominating Committee; and
- performing such other functions as are prescribed by law or are assigned to the Board.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board Committee, a Director, employee or other person subject to ultimate responsibility of the Directors.

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- Board Charter (Cont.)

8.2 Matters which are specifically reserved for the Board or its committees include the following:-

- Appointment of the Chairman;
- Appointment and removal of Managing Director;
- Appointment and removal of Chief Executive Officer;
- Appointment of directors to fill a vacancy or as additional directors;
- Establishment of Board Committees, their membership, duties and delegated authorities;
- Approval of interim dividend and recommendation of final dividend for shareholders' approval;
- Approval of capital expenditure, acquisitions and divestitures in excess of authority levels delegated to Management;
- Calling of meetings of shareholders; and
- Any other specific matters nominated by the Board from time to time.

9. Structure and Board Composition

The Company's Constitution governs the regulations and proceedings of the Board. The Board, together with the Nominating Committee, determines the size and composition of the Board subject to the terms of the Company's Constitution. The composition and size of the Board is such that it will facilitate the decision making process of the Company.

The Board should comprise a minimum of one third of independent non-executive directors and comprise directors with a broad and relevant range of skills, diversity, expertise and experience. The Board will endeavor to have at least half the Board comprises independent non-executive directors.

The Chairman is appointed from amongst the Directors as approved by the Board. The Chairman shall not act as Chief Executive Officer of the Company. The Chairman of the Board shall also not serve as Chairman of the Audit Committee.

The Board regularly reviews the independence of each non-executive director in light of information relevant to this assessment as disclosed by each Non-Executive Director to the Board. A Director is considered to be independent for the purposes of service on the Board and Board committees if the Director satisfies the standards adopted by the Board from time to time to assist it in its regular 'independence' determinations. The Board only considers Directors to be independent where they are independent of management and free from any business or other relationship that could materially interfere with or could reasonably be perceived to interfere with the exercise of their unfettered and independent judgment.

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The tenure of an independent director shall not exceed a cumulative term of nine (9) years. However, if the Board wishes to retain an independent director beyond nine (9) years, the Company needs to comply with Practice 4.2 of the Malaysian Code on Corporate Governance 2017. If the Board continues to retain the independent director after the twelfth (12th) year, the Board must seek shareholders' approval annually through a two (2)-tier voting process.

10. Directors' Training

In addition to the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad, the Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes.

The Board shall assess the training needs of the Directors from time to time.

All the Directors are expected to attend a minimum of one training session a year, at the expense of the Company.

11. Appointment and re-election

The appointment of a new Director is a matter for consideration and decision by the full Board, upon the recommendation of the Nomination Committee.

The Company shall comply with the regulations and the laws governing the appointment and re-election of directors in addition to the provisions of its Constitution.

12. Access to Information and Independent Advice

The Directors, collectively and individually, may seek independent professional advice and information in the furtherance of their duties at the cost of the Company.

13. Company Secretary

The Company Secretary plays an important advisory role and is a source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and Group.

The Board shall appoint suitable candidate who is qualified and capable of carrying out the duties to which the post entails and the removal of the Company Secretary shall be a matter for the Board as a whole.

14. Code of Ethics and Conduct

Appropriate standards of conduct and ethical behaviour are fundamental to the preservation of the Group's reputation and the success of its operations. Directors consider that the highest standards of business conduct and ethical behaviour should govern the exercise of their duties and responsibilities as Directors of the Company. This Code describes the standards of business conduct and ethical behaviour for Directors in the performance of their duties as Directors of the Company or when representing the Company.

There are two major aspects of director's duties:

- fiduciary duties; and
- duty to use reasonable care, skills and diligence.

Accordingly, this Code is established to reflect the Board's commitment to such standards. No code can offer a complete guide to cover all possible situations that might be encountered, and the Directors must exercise judgment in applying the principles embodied in this Code to any particular situation. The provisions of this Code are in addition to, and not in substitution for, any obligation imposed upon a director by agreement, common law, equity, statute or regulation. Compliance with this Code will not relieve a director from any such obligations.

14.1 Compliance with Laws, Rules and Regulations

- 14.1.1 Each director shall comply with all applicable laws, rules and regulations, and shall use all reasonable efforts to oversee compliance by employees and other directors with all applicable laws, rules and regulations governing their conduct.
- 14.1.2 Directors have a responsibility to be sufficiently familiar with legislation or regulations that apply to their directorships and to recognize potential liabilities, seeking legal advice where appropriate in accordance with the Company's internal procedures governing the seeking of external advice by any Director.
- 14.1.3 Directors must not engage in or give the appearance of being engaged in any illegal or improper conduct that is in violation of this Code or that indicates a casual attitude toward compliance with laws, regulations or this Code.

14.2 Corporate Governance

- 14.2.1 Directors should have a clear understanding of the aims and objectives, capabilities and capacity of the Group and should at all times exercise their powers for the benefit of the Group.
- 14.2.2 Each director should devote sufficient time and effort to attend meetings and to know what is required of the Board and of each director, and to discharge those functions. Therefore, directors should limit the number of directorships they take up in accordance with the amount of available time at their disposal for the discharge of their duties.
- 14.2.3 Directors should ensure that at all times, the Company is properly managed and effectively controlled and should insist on being kept informed on all matters of importance to the Company, in order to be effective in corporate management.
- 14.2.4 Directors should stay abreast of the affairs of the Group and be kept informed of the Company's compliance with relevant legislation and contractual requirements.
- 14.2.5 A director should be willing to exercise independent judgment and, if necessary, oppose positions which in his/her view, are to the detriment of the Company or are contrary to the best interests of the Company.

14.3 Conduct of Business and Fair Dealing

No director shall:-

- compete with the Group by providing services to a competitor; whether as an employee, officer or director;
- profit, or assist others to profit, from confidential information or business opportunities that he/she gains by virtue of his/her directorship of the Company;
- improperly influence or attempt to influence any business transaction between the Group and another entity, in which a director has a direct or indirect financial interest or acts as an employee, officer or director; or
- take unfair advantage of any customer, supplier, competitor or other person through manipulation, concealment, misrepresentation of material facts and/or other unfair practice.

14.4 Conflicts of Interest

- 14.4.1 Every director has a duty to avoid business, financial or other direct or indirect interests or relationships which conflict with the interests of the Group, or which divides his/her loyalty to the Group. Each director must deal at arm's length with the Group and should disclose to the Chairman or Managing Director, any conflict or any appearance of a conflict of interest on his/her part.
- 14.4.2 Any activity which even appears to present such a conflict must be avoided or terminated unless, after such disclosure to the Board, it is determined that the activity is not harmful to the Group or otherwise improper. The end result of the process of disclosure, discussion and consultation may well be the approval of certain relationships or transactions on the grounds that, despite initial appearances, no conflict in fact exists.

14.5 Use of Non-Public Information and Disclosure (Insider Trading)

- 14.5.1 A director who has in his/her possession important information about the Group that has not been disclosed to the public, must keep such information confidential. Directors who have access to confidential information about the Group or any other entity are not permitted to use or share that information for the purposes of trading in the securities of the Company, the securities of the other entity, or for any purpose other than the conduct of the Group's business.
- 14.5.2 Directors shall maintain the confidentiality of any non-public information obtained in the course of the performance of their duties on behalf of the Company, except when disclosure is authorized or legally mandated.

14.6 Use of Company Funds, Assets and Information

- 14.6.1 Each director shall protect the Company's funds, assets and information and shall not use the Company funds, assets or information to pursue personal opportunities or gain.
- 14.6.2 No Company funds, assets or information shall be used for any unlawful purpose.
- 14.6.3 No undisclosed or unrecorded funds or assets of the Company shall be established for any purpose.

14.7 Guidance on Acceptance of Gifts

Directors shall not accept any benefit as an inducement or reward for taking any action (or specifically not taking any action) in their official capacity as a Board Member; and gifts other than token value should generally be refused.

14.8 Social Responsibilities and the Environment

14.8.1 The Group shall constantly conceptualises and implements corporate social responsibility programmes and initiatives to minimise environmental impact.

14.8.2 Directors shall be responsible to maintain a safe and healthy workplace by following safety rules and practices and by reporting accidents, injuries and unsafe equipment, practices or conditions. Group related work is performed in a safe manner, free from the influences of alcohol, illegal drugs or controlled substances. The use of alcohol, tobacco or illegal substances inside the workplace is not tolerated.

14.8.3 Directors shall ensure that the activities and the operations of the Group do not harm the interests and wellbeing of society as a whole.

14.8.4 The Company is committed to providing all directors, officers and employees with an environment that respects their basic human rights and is free from discrimination and harassment. Each director is responsible for taking all reasonable precautions to not demonstrate behaviour that can be reasonably construed as discriminatory or harassing in nature, whether on grounds of gender, race, religion or sexuality.

Directors are encouraged to report all incidents of discrimination and harassment to the Chairman.

14.9 Proper Records and Communication

Directors must not make or engage in any false record or communication of any kind, whether internal or external, including but not limited to:-

- false expense claims, attendance, production, financial or similar reports and statements.
- false advertising, deceptive marketing practices or other misleading representations.

14.10 Spokesman

14.10.1 Only the Chairman, Managing Director and Chief Executive Officer are authorised spokesmen of the Company. Other appointed agents may sometimes be appointed to speak on behalf of the Company temporarily, by the Chairman, Managing Director and Chief Executive Officer.

14.10.2 Only the authorised spokesman or other authorised person is allowed to address the public, approve announcements, make press releases, clarify rumours and/or authorise the publication of any contents on the Company's website on behalf of the Company.

14.11 Breaches of the Code

In case of breaches of this Code including violations of laws, rules, regulations or the Company's policies by any director, the director or other directors are required to, as soon as possible, disclose the violations to the Chairman and the rest of the directors; and use best efforts to reduce the magnitude of damage/loss, if any.

14.12 Waiver of the Code

In extraordinary circumstances and where it is clearly in the Company's best interests to do so, the Chairman, upon recommendation by the Audit Committee and approval by the Board, may waive a director's compliance with any provision of this Code.

Conditions may be attached to such a waiver.

14.13 Review of the Code of Ethics and Conduct

The Board shall periodically review and reassess the adequacy of this Code and make such amendments to this Code as the Board may deem appropriate.

15. Review of the Board Charter

This Charter is to be reviewed by the Board as required.

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

Charter History

31 January 2013 - Charter approved

14 October 2014, 26 February 2018 -Revised Charter approved