

## **1. INTRODUCTION**

The Board of Directors (“the Board”) is accountable and responsible for the performance and affairs of JADI Imaging Holdings Berhad (“the Company” or “JADI”), including practising a high level of good governance. All Board members are expected to show good stewardship and act in a professional manner, as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

## **2. PURPOSE**

This Board Charter sets out the role, functions, composition, operation and processes of the Board and is to ensure that all Board members acting on behalf of the Company are aware on their duties and responsibilities as Board members.

This Board Charter would act as a source reference to provide insights to prospective Board members and senior management. In addition, it will assist the Board in the assessment of its own performance and of its individual Directors.

## **3. BOARD**

### **3.1 Board Membership**

#### **3.1.1 Composition of the Board**

The Board consists of a balanced mix of essential skills, experience and knowledge to ensure the capable management and leadership of the Group.

The Board will ensure that at least two (2) directors or one-third (1/3) of the Board members, whichever is the higher, to be Independent Directors. The Executive Directors are responsible for implementing the policies and decisions of the Board and managing the Group’s day-to-day operations. Together with the Independent Non-Executive Directors, they ensure that strategies are fully discussed and examined taking into account the long term interests of the various communities in which the Group conducts its business. In addition to the role and guidance of the Independent Non-Executive Directors, each Director nevertheless brings an independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the board subject to the director’s re-designation as a non-independent director. The board has to justify and seek shareholders’ approval at the Company Annual General Meeting in the event it retains as an independent director, a person who has served in that capacity for more than nine (9) years. If the Board continues to retain the independent director after the 12<sup>th</sup> year, the Board should seek annual shareholders’ approval through a two-tier voting process.

#### **3.1.2 Appointments and Re-election of Directors**

The appointment of Directors is undertaken by the Board as a whole guided by formal recommendations from the Nomination Committee.

In accordance with the Company’s Constitution, all Board members who are appointed by the Board shall be subject to election by shareholders at the first opportunity of their appointment. The Company’s Constitution also provide that at least one-third (1/3) of the Directors shall retire by rotation at each Annual General Meeting and that all Directors shall retire once every three (3) years. A retiring Director shall be eligible for re-election.

### 3.1.3 Independence of Director

The independent directors provide independent judgement, experience and objectivity. The Board reviews and evaluates its own independence and the independence of the Directors annually.

### 3.1.4 New Directorship

All Board members shall notify the Chairman of the Board before accepting any new directorship. The notification shall include an indication of time that will be spent on the new appointment.

The Chairman shall also notify the Board if he has any new directorship or significant commitments outside the Company.

## **3.2 Board Role**

### 3.2.1 Board Responsibility

The Board assumes, amongst others, the following responsibilities:

- Reviewing and adopting the overall strategic plans on economic, environmental and social considerations for the Company to ensure long-term value creation
- Promote good corporate governance culture within the Company
- Overseeing and assessing the conduct of the Company's business – Management's proposals and implementation
- Assess management performance to determine the Company's business is properly managed
- Identifying principal risks and ensuring the implementation of proper internal controls to manage these risks
- Ensure succession planning of senior management
- Overseeing the development and implementation of an effective shareholder communications policy for the Company
- Reviewing the adequacy and the integrity of the management information and internal controls system of the Company
- Promotes sustainability

### **3.3 Matters reserved for Board's approval**

The following matters are specifically reserved for the Board's approval. The Board reserves its rights to amend the matters reserved for its decisions:

- Major capital expenditures
- Business acquisition and restructuring
- Corporate proposals
- Annual budget
- Quarterly and Annual financials for announcement

### **3.4 Chairman and Group CEO**

The responsibilities of the Chairman, amongst others, are as follows:

- Lead the Board and ensure its effectiveness of all aspects of its role
- Lead an effective corporate governance system
- Ensure the efficient organization and conduct of the Board's function and meetings
- Facilitate the effective contribution of all Directors at the Board's meetings

- Ensure effective communication with shareholders and relevant stakeholders

The responsibilities of the Group CEO, amongst others, are as follows:

- Develop and implement strategic direction for the Group
- Oversee heads of departments who are responsible for all functions contributing to the success of the Group
- Ensure efficiency and effectiveness of the operation for the Group
- Assess business opportunities which are of potential benefit to the Group

Although the Executive Chairman is also the Group Chief Executive Officer, all decisions of the Board are based on the decision of the majority of the Board and matters are deliberated with the active participation of the three (3) independent non-executive directors and a non-independent non-executive director. Therefore no single Board member can make decision on behalf of the Board unless duly authorised by the entire Board. In addition, the good size and balance of the Board composition also ensures that no individual or group of individuals can dominate its decision-making process. The Malaysian Code of Corporate Governance recommends that the majority of the Board members must comprised of independent directors in the event, the Board Chairman is not an independent director. The Board is of the view that this recommendation is currently not necessary for reasons mentioned above. However, the Board shall evaluate the need to adopt this recommendation during the annual assessment of the Board.

### **3.5 Board Committees**

The following Board Committees have been established to assist the Board in discharging its duties effectively:

- Audit Committee
- Nomination Committee
- Remuneration Committee

The terms of reference of each Board Committee have been approved by the Board, and where applicable comply with the recommendations of the Code. These Committees have the authority to examine particular issues and report to the Board with their recommendations. Nonetheless, the ultimate responsibility for the final decision on such matters lies with the Board.

The terms of reference are available for reference in the Company's website at <http://www.jadi.com.my/>.

### **3.6 Board Meetings**

The Board meets at quarterly intervals, with additional meetings held when urgent issues and important decisions are required to be taken between the scheduled meetings.

All the Directors are encouraged to attend as many as possible and participate actively in the Board meetings. The quorum for a meeting shall be two (2) directors.

Scheduled Board meetings are structured with a preset agenda. Board papers providing mainly information on the financial performance of the Group as well as minutes of meetings are circulated prior to the Board meetings to give the Directors time to consider and deliberate on the issues to be raised at the Board meetings. The Directors have full access to senior management and the advice and services of the Company Secretary, and they ensure that the Board proceedings are properly documented. Where necessary, the services of other senior management or external consultants will be arranged to brief and help the Directors clear any doubt or concern.

### **3.7 Financial Reporting**

In presenting the annual audited financial statements and quarterly announcements of results to shareholders, the Directors are responsible for representing a balanced and understandable assessment of the Group's position and prospects. The Board ensures the Group has appropriate quarterly and annually

disclosure standard operating procedures. The Board encourages the Group to leverage on information technology for effective dissemination of information.

The Directors are responsible ensuring that the financial statements of the Group are prepared in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 2016 so as to give a true and fair view of the state of affairs of the Group and the Company.

### **3.8 Directors' Remuneration**

The remuneration of Directors is determined at levels which enable the Group to attract and retain the Directors with the relevant experience and expertise needed to assist in managing the Group effectively. In the case of Executive Directors of the Group, their remuneration is structured to link rewards to corporate and individual performance.

### **3.9 Directors' Training**

All the Directors have attended the Mandatory Accreditation Programme as prescribed by Bursa Malaysia Securities Berhad. The Directors will continue to participate in other relevant training programmes to further enhance their knowledge to enable them to discharge their responsibilities more effectively.

The details of the training attended by Directors are available for reference in the Corporate Governance Overview Statement in Company's Annual Report at <http://www.jadi.com.my/>.

### **3.10 Directors' Performance Assessment**

The Board recognizes the importance of assessing the effectiveness of individual Directors, the Board as a whole and its Committee. The Board reviews and evaluates its own performance and the performance of its Committee on an annual basis.

## **4. COMPANY SECRETARY**

The Board recognizes the importance to have a suitably qualified and competent Company Secretary as a central point for governance matters. The Company Secretary shall possess sound knowledge in companies' law, regulations and other compliances such as listing requirements. They provide corporate governance and compliance advisory, ensuring the Board adhered to. They also manage the meeting and records of minutes, as well as facilitating Board's communication.

The Company Secretary shall be the Secretary of the Board and its Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting. The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee Members.

## **5. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION**

The Board recognizes the need to inform shareholders and investors of all major developments of the Group on a timely basis. In addition to the mandatory reporting and public announcements of the Group's quarterly results to the Bursa Malaysia Securities Berhad, regular discussions are held by management to keep investment analysts and fund managers abreast of key corporate developments and Group financial performance. Press releases and announcements for public dissemination are also made periodically to capture any significant corporate event or product launch of the Group that would be of interest to investors and members of the public.

The Annual General Meeting of the Company represents the principal forum for dialogue and interaction with all shareholders. At the Annual General Meeting, the Board encourages shareholders to participate in the question and answer session. The Directors, Chairman of the Audit Committee, and external auditors will be available to respond to the questions of shareholders during the Annual General Meeting. The Board will convene an Extraordinary General Meeting or any other urgent matters requiring immediate attention of the Company.

## **6. ACCESS TO INFORMATION AND INDEPENDENT ADVICE**

Board meetings are held on a quarterly basis to review and approve the financial results of the Group. Ad hoc Board meetings will be held as and when necessary to deliberate on matters which require the Board's decision. Structured meeting agenda is developed to present financial and non-financial information, as well as pertaining to matters reserved for the Board's decision. Notice of meetings is circulated at least 7 days prior to the meetings. Meeting materials are circulated approximately 7 days prior to the meeting or such other period as deemed appropriate by the Board.

In addition, the Directors may also seek independent professional advice, at the Company's expense, if required. The Directors may also consult with the Executive Chairman and other Board members prior to seeking any independent professional advice.

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

The Code of Ethics and Conduct has been adopted by the Board on 16 April 2013. The Company's Corporate Values is to be observed by all Directors and employees of the Group, and the Corporate Values are as follows:

- Confidential information
- Business records and control
- Misconduct
- Integrity and good faith
- Fair and courteous behaviour
- Protection of assets and funds
- Safety and health
- Conflict of interest
- Conserving environment and natural resources
- Sexual harassment
- Anti-money laundering
- Insider trading

The details of the Code of Ethics and Conduct are available for reference in the Company's website at <http://www.jadi.com.my/>.

## **8. REVIEW OF THE BOARD CHARTER**

The Board Charter has been adopted by the Board on 16 April 2013. Any subsequent amendment to the Charter can only be approved by the Board. The Board Charter will be reviewed annually and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

The Board Charter is made available for reference in the Company's website at <http://www.jadi.com.my/>.