

BOARD CHARTER

Our board's strategic intent is to ensure **Apollo Food Holdings Berhad** ("Company") resources and capacities are deployed in ways to protect and maximise shareholders' value and long term earnings growth. We will do this by managing our business with integrity and the highest ethical standards while acting in a socially responsible manner with particular emphasis on the well-being of our teammates and the communities we serve.

1.0 Purpose of this Charter

The purpose of this charter is to specify how the Company is governed so as to promote the Company and protect the interests of shareholders.

The Board is responsible for the governance of the Company. This charter sets out the role and responsibilities of the Board, including the responsibilities that are delegated to committees of the Board or the management as well as membership and operation of the Board.

2.0 Role and Responsibilities of the Board

2.1 Role

The role of the Board is to provide overall strategic guidance for the Company and effective oversight of management.

The Board strives to ensure that the activities of the Company comply with its constitution, from which the Board derives its authority to act, and monitor the Company's performance to create sustainable value for shareholders.

2.2 Board Responsibilities

The Board is responsible for:

- Providing guidance, reviewing and approving strategy plans and performance objectives;
- Monitoring financial performance of the Company and approving quarterly and yearly financial reports;
- Reviewing and approving major capital expenditure, capital management, major acquisitions and divestment and material commitments;
- Declaring interim dividend and recommendation of final dividend for shareholders' approval;
- Establish committees and policies as to facilitate more effective discharge of the Board's roles and responsibilities;
- Ensure through the Board committees as appropriate, compliance obligations and functions are effectively discharged;

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- Review and approval of recommendations made by the various committees;
- Overseeing and reviewing systems of internal control/compliance, risk management and control and legal compliance of the Company, ensuring they are operating effectively;
- Appointment and if appropriate, removal of directors and company secretary;
- Approving succession plans, including appointing and training for directors and senior management;
- Approving remuneration policies of directors; and
- Ensuring effective communication and reporting to shareholders to ensure they are informed of the performance and major developments of the Company.

3.0 Delegation of Authority

3.1 Delegation to Committees

The Board may delegate responsibility to committees to consider certain issues and make recommendations to the Board.

The present committees established by the Board are:

- (i) Audit Committee;
- (ii) Nomination Committee; and
- (iii) Remuneration Committee

The Board may establish other committees from time to time to consider other issues if necessary.

Committees will maintain minutes of their meetings and are entitled to obtain professional advice in order to effectively carry out their proper functions. The chairperson of each committee will report to the Board on the issues discussed during the meeting.

3.2 Delegation to Managing Director and Management

The Board has delegated to the Managing Director with the assistance of its management the authority to manage day to day affairs of the Company and the authority to control affairs of the Company in relation to all matters other than those responsibilities reserved to itself in this charter. The Managing Director and management have the authority to further delegate its duties.

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4.0 Membership of the Board

4.1 Composition

The Board of Directors will consist of a minimum of 2 and a maximum of 11 members, in accordance with the Articles of Association. The Board will ensure that at least one-third of the directors are independent, thereby bringing objective and independent judgment to facilitate a balanced leadership in the Company as well as to safeguard the interest of the shareholders in ensuring the highest standard of conduct and integrity are maintained.

The Company will seek to have directors with an appropriate range of skills, experience and expertise to deal with the operations and business of the Company. Directors are free from any interest and any business which could materially interfere with the director's ability to act in the best interests of the Company.

4.2 Appointment and Re-election

The Company has in place formal and transparent procedures for the appointment of new directors. These procedures ensure that all nominees to the Board, are first considered by the Nomination Committee ("NC") taking into account the required mix of skills and experience and other qualities, before making recommendation to the Board. The Board, through the NC, reviews annually its required mix of skills and experience including the core competencies of all the Directors to ensure the effectiveness of the Board as a whole and the Committees of the Board.

Any director appointed during the year is required under the Company's Articles of Association, to retire and seek re-election by shareholders at the following Annual General Meeting ("AGM") immediately after their appointment. The Articles also require that one-third of the Directors including the Managing Director to retire by rotation and seek re-election at each AGM and that each Director shall offer themselves for re-election at least once in every three years.

Pursuant to Section 129 of the Companies Act, 1965, directors who are over 70 years shall retire at every annual general meeting and may offer themselves for re-appointment to hold office until the next annual general meeting.

The tenure of an independent director should not exceed a cumulative term of nine years. The Board may seek shareholders' approval in the event it retains an independent director, who has served in that capacity for more than nine years, with strong justification provided. Otherwise, upon completion of nine years, an independent director may continue to serve on the Board subject to the director's re-designation as a non-independent director.

4.3 Conduct of Individual Directors

Directors must at all times act in accordance with legal and statutory requirements, while performing all their duties as directors. Directors must:

- (i) discharge their duties in good faith and in the best interest of the Company;
- (ii) act with care and demonstrate commercial reasonableness in their decision making;

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- (iii) avoid conflicts of interest and notify other directors of a material personal interest when a conflict arises;
- (iv) not to make improper use of information gained through their position as a director and not take improper advantage of their position as a director;
- (v) expect to devote sufficient time commitment to carry out their responsibilities;
- (vi) expect to devote sufficient time to update their knowledge and enhance skills required for performing their duties; and
- (vii) expect to act ethically at all times and in accordance to the Company's Code of Conduct.

5.0 Board Process

5.1 Meetings

The Board meets regularly on a quarterly basis with additional meetings being conducted as and when necessary. Directors are expected to attend the Company's General Meeting, Board meetings and Committee meetings on which they serve. Standard agendas will be established for each Board and Committee meeting. Board members are free to suggest items for inclusion on the agenda or to raise subjects that are not in the agenda for that meeting, subject to the provisions of the memorandum and articles covering the Board of Directors' meetings. Proceedings of all meetings are minuted and signed by the Chairman of the meeting. Minutes of all Board meetings are circulated to directors and approved by the Board at the subsequent meeting.

5.2 Supply and Access to Information

Directors are furnished with Board papers detailing the agenda for each meeting which are disseminated in advance to ensure sufficient time is available to the Directors to review and consider the items to be deliberated at the Board meetings. The Board papers include, amongst others, quarterly financial reports, financial statements, minutes of meetings and other management reports.

Directors have access to all information and may request for additional information or to take independent professional advice at the Company's expense during meetings or written request indicating the purpose for such information, in furtherance of their duties.

5.3 Proceedings at Meetings

No meeting shall take place unless a quorum is present. The Chairman of the Board or Committee shall chair the meeting. If the Chairman of the Board or Committee is not present, another director elected by the directors present shall chair the meeting.

Any director may participate in a meeting of the Board or any committee of the Board by conference telephone, electronic or such other communication facilities shall be treated as

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presence in person provided all directors participating in the meeting are able to hear each other and recognize each other's voice, and for this purpose, participation constitutes prima facie proof of recognition. The director 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.

6.0 Role of Board Committees

6.1 Audit Committee

Purpose

The Audit Committee is instrumental in the Board's fulfillment of its oversight responsibilities relating to (1) the integrity of the Company's financial statements; (2) the qualifications, independence and performance of the Company's external auditors; (3) monitoring the performance of the Company's internal audit function; (4) review and make recommendations on the risk management policies; (5) the Company's compliance with the legal and regulatory requirements and (6) the business practices of the Company.

Membership

The Committee shall be composed of at least three members. All the audit committee members must be non-executive directors with a majority of them being independent directors and at least one of the members of the Committee:

- (i) must be a member of the Malaysian Institute of Accountants (MIA); or
- (ii) if he/she is not a member of the MIA, he/she must have at least three (3) years' working experience and;
 - (a) he/she must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
 - (b) he/she must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
- (iii) he/she must fulfill such other requirements as prescribed or approved by the Bursa Securities.

The Chairman of the Committee must be elected among the members, who is an independent director. Where the membership of the Committee falls below three due to retirement or resignation or any other reason, the vacancy must be filled not later than three months.

Authority

The Audit Committee has the authority to seek information it requires from employees, company officers, company documents and external parties i.e. external auditors and internal auditors; and to investigate, engage advisors or other independent professional services if necessary at the expense of the Company.

Duties and Responsibilities

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The duties and responsibilities of the Committee are as follows:

1. (i) To consider and recommend the appointment of the external auditors, the audit fee, and any questions of resignation or dismissal, and inquire into the staffing and competence of the external auditors in performing their work and assistance given by the Company's officers to the external auditors.
- (ii) Where the external auditors are removed from office or give notice to the Company of their desire to resign as external auditors, the Committee shall ensure that the Company immediately notify Bursa Securities and forward to Bursa Securities a copy of any written representations or written explanations of the resignation made by the external auditors at the same time as copies of such representations or explanations are submitted to the Registrar of Companies pursuant to sections 172A of the Companies Act, 1965.
2. (i) To discuss with the external auditors before the audit commences the nature, scope and any significant problems that may be foreseen in the audit, ensure adequate tests to verify the accounts and procedures of the Company and ensure co-ordination where more than one audit firm is involved; and
- (ii) To ensure and confirm that the management has placed no restriction on the scope of the audit.
3. To review the quarterly announcements to Bursa Securities and financial statements before submission to the Board, focusing particularly on:
 - any changes in accounting policies and practice;
 - major judgmental areas;
 - significant adjustments resulting from the audit;
 - any significant transactions which are not a normal part of the Group's business;
 - the going concern assumptions;
 - compliance with the accounting standards;
 - compliance with stock exchange and legal requirements;
 - assess the quality and effectiveness of the internal control system and the efficiency of the Company operations;
 - the quality and effectiveness of the entire accounting, management information and internal control systems; and
 - the adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Group.
4. To discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of the management where necessary).
5. For the internal audit function, to

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- a. review the adequacy of the competency of the internal audit function including the scope and resources and ensuring that the internal auditors have the necessary authority to carry out their work;
 - b. review internal audit program;
 - c. ensure co-ordination of external audit with internal audit;
 - d. consider major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - e. If the internal audit function is outsourced, to consider and recommend the appointment or termination of the internal auditors, the fee and inquire into the staffing and competence of the internal auditors in performing their work;
 - f. If the internal audit function is performed in-house, to:
 - (i) review any appraisal or assessment of the performance of the staff member of the internal audit function;
 - (ii) approve any appointment or termination of senior staff member of the internal audit function; and
 - (iii) inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reason of resignation.
6. For the risk management function, to
- a. review and recommend the Risk Management Policy Framework for approval by the Board;
 - b. recommend to the Board on proposed changes in risk management policies and strategies, as and when necessary; and
 - c. review reports on compliance with risk management policies and recommend action when necessary
7. To review the external auditors' management letter and management response.
8. To consider:
- a. any related party transactions and conflict of interests situation that may arise within the Company or the Group and to ensure that Directors report such transactions annually to shareholders via the annual report; and
 - b. in respect of the recurrent related party transactions of a revenue or trading nature which are the subject of a shareholders' mandate, prescribe guidelines and review procedures to ascertain that such transactions are in compliance with the terms of the shareholders' mandate.
9. To report to Bursa Securities on matters reported by it to the Board that has not been satisfactorily resolved resulting in a breach of the Main Market LR.
10. To consider other topics, as may be defined and directed by the Board from time to time.

6.2 Nomination Committee

Purpose

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The primary purposes of the Nomination Committee are to (1) assist the Board of Directors by identifying individuals qualified to serve the Board and its committees; (2) recommend to the Board, the Director nominees for the next annual general meeting; (3) recommend to the Board, members and chairpersons for each committee to enable the Board and committees to function effectively and efficiently.

Membership

The Committee shall compose of at least three members. All the nomination committee members must be non-executive directors with a majority of them being independent directors. The Chairman of this Committee will be chaired by a senior independent non-executive director.

Candidate Nomination & Selection Criteria

The Nomination Committee believes that it is in the best interest of the Company and its shareholders to obtain qualified candidates to serve as members of the Board of Directors. The Nomination Committee will seek candidates for election and appointment that possess the integrity, experience and competency that will best complement Board effectiveness.

Criteria of Selection:

Candidates are selected for, among other things, their integrity, independence, diversity in terms of age, gender, ethnicity and experience, leadership and the ability to exercise sound judgment relevant to the Company's business.

The candidate must be willing to regularly attend Committee and Board of Director's meetings, to participate Board of Director's development programs, to develop a strong understanding of the Company, to contribute his or her time and knowledge to the Company.

Selection Process

This selection process will involve primarily five stages:

- 1) Identification of candidates
- 2) Evaluation of suitability of candidates base on the selection criteria
- 3) Meeting up with candidates
- 4) Final deliberation by nomination committee
- 5) Recommendation to the Board

Authority and Responsibilities

The Nomination Committee is responsible for considering and making recommendations to the Board concerning appropriate size, functions and needs of the Board. For the appointment of new Directors, all nominees are first considered by the Nomination Committee, before

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making recommendation to the Board. The Committee will annually review the performance and required mix of skills and experience of all the Directors to ensure the effectiveness of the Board as a whole and the Committees of the Board.

The committee has the authority, as necessary and appropriate, to consult with outside advisors to assist in their duties to the Company.

In assisting the Board in the appointment, re-election and performance of Directors, the Committee will:

1. Assess the necessary and desirable competencies of Directors;
2. Assess that Directors have the appropriate mix of competencies to enable the Board to discharge its responsibilities effectively;
3. Develop Board succession plans so that an appropriate balance of skills, experience, expertise and diversity is maintained;
4. Make recommendations to the Board relating to the appointment, re-election and retirement of Directors;
5. Schedule and review the performance of the Board and various Committees members; and
6. Review that Directors have access to appropriate continuing education to update and enhance their skills and knowledge.

The Committee will consider any other matters referred to the Committee by the Board.

6.3 Remuneration Committee

Purpose

The Committee is established to provide overall guidance and make recommendations to the Board on the remuneration and other benefits for the Directors of the Company. The Committee will have such other duties and responsibilities as assigned to it from time to time by the Board of Directors.

Membership

The Remuneration Committee shall consist of not fewer than two directors, with a majority of non-executive directors. Membership criteria shall be met according to the requirements of the exchange, if any.

Authority and Responsibilities

The Committee shall review and make recommendations to the Board with respect to fees, compensation and benefits for the Board of Directors. The Remuneration Committee shall have the authority to engage, retain and terminate any compensation consultant to be used to assist in the evaluation of director compensation.

The Committee will have the power to conduct or authorize investigations or reviews into any matters within its scope of responsibilities. It may delegate any responsibilities to a subcommittee when appropriate.

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7.0 Code of Conduct and Ethics

The Board is responsible to establish and maintain a Code of Conduct to guide directors, senior executives and all employees necessary to maintain confidence in the Company's integrity. To ensure appropriate corporate governance structures are in place including standards of ethical behavior according to the Code of Conduct and promoting a culture of corporate and social responsibility, while achieving the objectives and goals of the Company.

8.0 Relationship with the General Meeting of Shareholders

The Board shall provide the General Meeting of Shareholders with any requested information, unless this would be contrary to an overriding interest of the Company.

9.0 Review of Board Charter

Recognising that best practices for the Board and practical considerations will change over time, the Board may amend this charter, or grant waivers in exceptional circumstances as it deems appropriate.

The Board is responsible for reviewing this charter and may be amended from time to time depending on the appropriate needs of the Company.

Approved by the Board on 29 December 2015.