

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

This Board Charter specifies 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 with reference but not limited to the following applicable laws, rules and regulations in Malaysia:

- Malaysian Code of Corporate Governance ("MCCG 2017");
- The Companies Act, 2016;
- Main Market Listing Requirements of Bursa Malaysia Securities Berhad; and
- Memorandum and Articles of the Company.

2.0 Role and Responsibilities of the Board

2.1 Role of the Board

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;

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- 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;
- 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 Chairman of the Board

The positions of the Chairman and Managing Directors are held by different individuals in order to promote accountability of board's discussion and decision making.

The Chairman is responsible for:

- 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;
- Leading the board in establishing and monitoring good corporate governance practices in the Company; and
- Ensure stakeholders' views are communicated effectively to the board as a whole.

4.0 Role of the Company Secretary

The Board shall appoint a suitably qualified Company Secretary to advise the board and its committees on administrative and governance matters.

The role and responsibilities of the Company Secretary include:

- Manage, attend, and record minutes of all board and committee meetings;
- Prepare meeting agendas and facilitate board communications;
- Advise the board on its roles and responsibilities;
- Advise the board on corporate disclosures and compliance with company and securities regulation and listing requirements;
- Manage processes pertaining to the annual shareholder meeting; and
- Monitor corporate governance developments and assist the board in applying governance practices

5.0 Delegation of Authority

5.1 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.

5.2 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.

6.0 Membership of the Board

6.1 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.

6.2 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 205(6) of the Companies Act, 2016, the Company may appoint any qualified person to fill in vacancy of directors at the annual general meeting at which a director so retires. If there is no any appointment was made to fill in the vacancy, the retiring director shall, if he offers himself for re-election, be deemed to have been re-elected.

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.

Pursuant to Practice 4.2 of MCGG 2017, if the Board continues to retain the independent director after the twelve years, the Board should seek annual shareholders' approval through two-tier voting process.

6.3 Conduct of Individual Directors

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

- discharge their duties in good faith and in the best interest of the Company;
- act with care and demonstrate commercial reasonableness in their decision making;
- avoid conflicts of interest and notify other directors of a material personal interest when a conflict arises;
- 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;
- expect to devote sufficient time commitment to carry out their responsibilities;
- expect to devote sufficient time to update their knowledge and enhance skills required for performing their duties; and
- expect to act ethically at all times and in accordance to the Company's Code of Conduct.

7.0 Board Process

7.1 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.

7.2 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.

7.3 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 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.

8.0 Role of Board Committees

8.1 Audit Committee

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.

Kindly refer to approved term of references for composition, authority, and duties and responsibilities of the Committee.

8.2 Nomination Committee

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

Kindly refer to approved term of references for composition, authority, and duties and responsibilities of the Committee.

8.3 Remuneration Committee

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.

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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. Kindly refer to approved term of references for composition, authority, and duties and responsibilities of the Committee.

9.0 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. "Code of Conducts and Ethics" is formulated to ensure appropriate corporate governance structures and standards of ethical behavior are in place. This "Code of Conduct and Ethics" is available on the Company's official website.

10.0 Investors Relations

The Board is aware of the importance of disseminating information through published annual report, press release, and quarterly financial results to shareholders. An effective and continuous communication in between the Company and shareholders is in place to facilitate mutual understanding of each other's expectations. The Board provides question and answer session in its annual general meeting as one of the platforms for shareholders to voice up their concerns on the Company's operating environment. Upon request, the Directors will also meet up with the investors and investment analysts for further discussion and clarification.

11.0 Whistleblowing Policy

The board has formulated a whistleblowing policy to encourage employees to report genuine concerns in relation to breach of a legal obligation, miscarriage of justice, danger to health and safety or to the environment and the cover-up of any of these in the workplace. The whistleblowing policy is available in the Company's official website.

12.0 Review of Board Charter

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

This Board Charter is reviewed and approved by the Board on 28 March 2018.