

## **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:

- The Companies Act, 2016;
- Main Market Listing Requirements of Bursa Malaysia Securities Berhad; and
- Malaysian Code of Corporate Governance ("MCCG 2021").

### **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;

- 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;
- Ensure compliance with applicable laws and regulations relevant to the Group's operations;
- Review and approval of recommendations made by the various committees;
- Review and approve the major changes to the corporate organization structure and delegation of authority to the Management;
- Overseeing and reviewing systems of internal control/compliance and management information system (established based on internationally recognized), risk management framework, risk management and control and legal compliance of the Company, ensuring they are operating adequately and effectively;
- Appointment and if appropriate, removal of directors, company secretary and senior management;
- Approving succession plans, including appointing and training for directors and senior management;
- Approving remuneration policies of directors and senior management;
- Review and approval the ethical standards through code of conduct, anti-bribery and corruption policy and procedures and whistle blowing policy which will be applicable throughout the Group and ensure the compliance of the code of conduct, anti-bribery and corruption policy and procedures and whistle blowing policy;
- Review the appointment, re-appointment, resignation and termination of external auditor and to recommend the same to the shareholders for approval;
- Ensuring effective communication and reporting to shareholders to ensure they are informed of the performance and major developments of the Company.

### **2.3 Matters Reserved for the Board**

The following are matters reserved for the Board's decision and may be varied from time to time:

- Approval of corporate plans and programmes;
- Approval of adoption of accounting policies;
- Approval of major investments in properties, plant and equipment;
- Review for internal audit plans and major changes therefrom;

- Review of external audit plans;
- Approve changes in the major activities of the Company;
- Approve annual financial results of the Company and release therefore;
- Review and approve any major business decision and recommend the same to shareholders for approval;
- Approval of interim dividend and recommend final dividend;
- Approval of entering into of any indemnities or guarantees by the Company.

### **3.0 Role of Chairman and Managing Director**

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 represents the Board to the shareholders and to act as facilitator at the meetings of the Board and ensure that no board member dominates the discussion, and that appropriate discussion takes place and that relevant opinion among Board members are forthcoming.

The Chairman is responsible for:

- Providing leadership for the board so that the board can perform its responsibilities effectively and in the oversight of the Management and ensure its effectiveness of all aspects of its roles;
- Setting the board agenda and ensuring that board members receive complete and accurate information in a timely manner to facilitate decision-making on a timely basis;
- Leading board meetings and discussions;
- Encouraging active participation and allowing dissenting views to be freely expressed;
- Managing the interface between board members as well as board and management;
- Leading the board in establishing and monitoring good corporate governance practices in the Company and providing governance in matters requiring corporate justice and integrity;
- Ensure stakeholders' views are communicated effectively to the board as a whole; and
- Maintain effective professional relationship with external parties, investing public, regulatory bodies and trade associations.

The Company Managing Director is accountable to the Board for the accomplishment of the corporate objectives and the management authorities' observance. The Managing Director shall be head of the Company's management and shall be responsible to the Board in that manner.

The Company Managing Director is responsible for:

- Developing corporate strategies for the Company for the Board's approval and implementing such corporate strategies for the Company so approved;
- Providing leadership to achieve the vision, management philosophy and business strategies;
- Safeguard the Company's assets;
- Ensure applicable laws and regulations are compliance;
- Ensure the effectiveness of internal and external reporting;
- Assess business opportunities which can highly benefit the Company and recommend the potential business opportunities for consideration of the Board;
- Ensure the internal control system is adequacy and effectiveness; and
- Execute and implement sustainability management policy and process throughout the Company.

#### **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 appointment and removal of the Company Secretary shall be subject to the Board's approval.

All directors have the right of access to the advices and services of the Company Secretary at all time.

The role and responsibilities of the Company Secretary include:

- Manage, attend, and record minutes of all board and committee meetings. Communicate with management the decisions of the Board and Board Committees for their action and follow-up on proposals at the Board and Board Committee meetings;
- Prepare meeting agendas and facilitate board communications as well as to coordinate the completion and circulation of the Board and Board Committees papers on timely manner;
- Advise the board on its roles and responsibilities;

- Monitor the policy and procedures of the Board and Board Committees;
- Advise the board on corporate disclosures and compliance with company and securities regulation and listing requirements;
- Manage processes pertaining to the annual shareholder meeting;
- Monitor corporate governance developments and assist the board in applying governance practices;
- Facilitate training and development of directors and new directors' induction programme; and
- Serve as a focal point for stakeholders' communication and engagement on Corporate Governance issues.

## **5.0 Delegation of Authority**

### **5.1 Delegation to Committees**

The Board may delegate responsibility to committees to review 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 Constitution. 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.

Board Evaluation is conducted annually to evaluate the performance of the Board as a whole, the Board Committees and individual directors (including Head of Accounts). The process comprises assessment of the Board and directors' skills, experience, and independence. All directors shall provide peer review on the performance of each director and submit to the Company Secretary for collation and submission to NC for review.

The Board is assessed on its effectiveness as a whole while the board committees are assessed on the accountability as set out in the committees' terms of reference. For Assessment of individual directors, the focuses are on Directors' contribution and expectations.

Any director appointed during the year is required under the Company's Constitution, 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.

In the event of any vacancy in the Board, the Company must fill the vacancy within three (3) months, in accordance with the Listing Requirements.

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 5.3 of MCGG 2021, if the Board continues to retain the independent director after the nine 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.

### **6.4 Time Commitment of Directors**

Before accepting the new appointment, individual members of the Board are required to inform the Chairman and communicate the time he/she expects to spend for the new appointment.

## **7.0 Board Process**

### **7.1 Meetings**

The Board meets regularly on a quarterly basis with additional meetings being conducted as and when necessary. All 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 Company's constitution 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 Notices of Meetings**

Except for an emergency case, notice of meeting shall be forwarded to each director no later than five (5) business days before the date of the meeting. The confirmed venue, time, date and an agenda of items to be discussed should be attached together with the notice.

For best practice, the Board paper and meeting materials shall be circulated at least five (5) business days in advance to allow directors have ample time to study and evaluate the matters to be discussed and subsequently make best decisions.

### **7.3 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 unrestricted access to all information and personnel and may request for additional information or to take independent professional advice at the cost of the company during meetings or written request indicating the purpose for such information, in furtherance of their duties.

### **7.4 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.

### **7.5 Directors' Training**

The Board recognizes the importance of its members' continuous education to allow its members to effectively discharge their responsibilities and duties.

The Board shall, through Nominating Committee, to assess and determine the training needs of its individual members annually to ensure that the board members have provided appropriate updates and training to improve the expertise of the individual directors and enhance their skills to effectively discharge their duties and responsibilities and to participate actively in the meetings of the board.

## **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.

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 Anti-Bribery and Corruption Policy**

The Board is responsible to establish and maintain an Anti-Bribery and Corruption ("ABC") Policy to maintain a high standard of ethical conduct in all business dealings. ABC Policy is formulated to avoid exposing all directors, senior executives and employees to potential conflicts of interest. The ABC Policy is available on the official website of the Company.

### **11.0 Whistle Blowing Policy**

The Board has formulated a Whistle Blowing 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 Whistle Blowing Policy is available in the Company's official website.

### **12.0 Gender Diversity Policy**

The Board has formulated a Gender Diversity Policy to promote boardroom diversity in terms of gender. The Gender Diversity Policy is available in the Company's official website.

### **13.0 Sustainability Policy**

The Board has established the Sustainability Policy to address a range of social and economic development issues. The importance of sustainability in business operations is recognized. The Sustainability Policy is available in the Company's official website.

### **14.0 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.

### **15.0 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 updated and adopted by the Board on 29 March 2022.