



Topmix Berhad

(Incorporated in Malaysia)

Board Charter

TM-CG-P15

Version 1.0

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1.0 Scope

- 1.1. The primary objective of the Board Charter is to set out the roles and responsibilities of the Board and to ensure that all Board members acting on behalf of Topmix Berhad (“the Company”) are aware of their duties and responsibilities in managing the affairs of the Company and its subsidiaries (“the Group”).
- 1.2. The Board will regularly review the Charter and the term of reference of Board Committees to ensure they remain consistent with the Board’s objectives and responsibilities, and relevant laws, regulations, guidelines and standards of corporate governance.

2.0 Board Composition Policy

- 2.1. The Board shall be composed of a combination of Directors with a mix of skills appropriate to providing the necessary breadth and depth of knowledge and experience to serve the Company’s best interests.
- 2.2. The Board should comprise at least two (2) directors or one-third (1/3) of its Board (whichever is higher) are independent directors. If the number of directors is not three (3) or multiple of three (3), then the number nearest to one-third (1/3) must be used. If a vacancy in Board results in non-compliance with the required composition, the vacancy must be filled within three (3) months (paragraph 15.02 of ACE Market Listing Requirement (“Listing Requirements”)).
- 2.3. The Board shall establish and maintain a Nominating Committee to regularly review the number, mix and effectiveness of Directors on the Board so as to determine whether the Board remains appropriate and effective, subject to any applicable regulatory constraints.
- 2.4. The Directors must not hold more than five (5) directorships in the listed companies on Bursa Securities (paragraph 15.06 of Listing Requirements).
- 2.5. The Board may appoint a Senior Independent Director (“SID”) to whom shareholders’ concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman or the Managing Director have failed to resolve them.
- 2.6. The position of Chairman of the Board and Managing Director should be held by different individuals, and the chairman must be a non-executive member of the Board.
- 2.7. Where appropriate, the Chairman of the Board should not be the chairman or member of the Board Committee.
- 2.8. The Board shall endeavour to achieve 30% female directors at all times.

3.0 Role And Responsibilities of The Board

- 3.1. The Board's role is to represent and serve the interests of shareholders by overseeing and appraising the Company's strategies and policies and monitoring management's implementation of them. The Board's principal objective is to maintain and increase shareholder value while ensuring that the Group's overall activities are properly managed.
- 3.2. The Board is answerable to shareholders generally, and specifically to General Meetings of shareholders.
- 3.3. Generally, roles and responsibilities of the Board are as follows:
- a) together with senior management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behavior;
 - b) review, challenge and decide on management's proposals for the Group, and monitor its implementation by management;
 - c) ensure that the strategic plan of the company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
 - d) supervise and assess management performance to determine whether the business is being properly managed, including supervising and assessing corporate behaviour and conduct of the business of our Group;
 - e) ensure there is a sound framework for internal controls and risk management;
 - f) understand the principal risks of the company's business and recognise that business decisions involve the taking of appropriate risks;
 - g) set the risk appetite within which the board expects management to operate and ensure that there is an appropriate risks management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
 - h) ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of board and senior management;
 - i) ensure that the company has in place procedures to enable effective communication with stakeholders;
 - j) ensure the integrity of the company's financial and non-financial reporting;
 - k) review and approve our Company's annual business plans, financial statements and annual reports;
 - l) review the effectiveness and implementation of anti-bribery and anti-corruption policy and framework; and

- 3.4. The Key Matters Reserved for Board's deliberation and approval including but not limited to the following:
- a) Any substantial change in existing businesses and/or the entry and diversification into new and unrelated businesses by the Company and the Group.
 - b) The change in name of the Company or any of its subsidiary companies.
 - c) The change in the share capital of the Company or any of its subsidiary companies.
 - d) The acquisition or sale of intangible assets such as trademarks, intellectual property or licenses except in the ordinary course of business.
 - e) The licensing out of the group's trademarks or intellectual property except in the ordinary course of business
 - f) The acquisition of any properties, quoted or unquoted securities.
 - g) The appointment and changes of the Company's cheque signatories and their associated limits of authority.
 - h) The appointment and changes of the Company's corporate representatives.
 - i) The Group's annual operating and capital expenditure budget and business strategies associated therewith.
 - j) The Company's official communications to the public and/or shareholders, including Press Releases, Announcements, Annual Reports, Letters and Circulars.
 - k) The calling of General Meetings of the Company except where such meetings have been properly called by shareholders independently of the Board as provided for in the Company's Articles of Association.
 - l) The recommendation of dividend payments for shareholders' approval.
 - m) The entry into or termination of any contract that is likely to have a material impact on the financial performance of the Group.
 - n) Changes to the composition of the Board of Directors and Board Committees.
 - o) Changes to the Terms of Reference of Board Committees.
 - p) Changes to the corporate structure of the Group involving movement in shareholding structures including the incorporation of new subsidiary or associated companies, divestment of subsidiaries or associated companies and entry into joint ventures.
 - q) Appointment and resignation/termination of the Chief Executive Officer and Chief Financial Officer, if any.
 - r) Appointment and resignation/termination of advisors such as investment bankers, lawyers, External Auditors, Internal Auditors and Company Secretary by the Group.
 - s) The procurement of banking facilities for the Group, the charging of any of the Company's or its subsidiary companies' assets and the giving of corporate guarantees by the Company.
 - t) Any matter for which Board approval is required by law as specified in Listing Requirements, guidelines of the Securities Commission, the Companies Act 2016, the Malaysia Code on Corporate Governance, or any statutory modification, amendment or re-enactment thereof for the time being in force and any other relevant authority.

- u) Constitution of the Company including any amendments thereto.
- v) The giving of any guarantee (with the exception of bank guarantee in connection with the operating business) or indemnity or the creation or issue of any debenture, mortgage, charge or other security or interest over its assets by the Company.
- w) Any matter for which Board approval is required under the Company's Memorandum and Articles of Association.

4.0 Board Authority and Power

- 4.1. The Board shall have authority on the corporate decisions stated in the Companies Act, Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and the Constitution of the Company that require the passing of ordinary or special resolutions by the Board.
- 4.2. The Board shall also have the power to delegate specific functions and authority to its Board Committees to assist in the discharge of its responsibilities.
- 4.3. The Board has full, unrestricted and timely access to all information pertaining to the Group's business affairs. All members of the Board have access to the advice and services of the Company Secretary and are entitled to obtain professional opinions or advice from external consultants when the need arises at the expense of the Group. The Company Secretary attends all Board meetings and is responsible for ensuring that Board procedures as well as statutory and regulatory requirements relating to the duties and responsibilities of the Directors are complied with.

5.0 Role of Chairman, Managing Director, Executive Director & Independent Non-Executive Directors

5.1. Chairman

The key responsibilities of the Chairman include:

- a) Providing leadership to the Board to ensure the smooth functioning of the Board
- b) Act as facilitator at meetings of the Board, including encouraging active participation from Board members and allowing dissenting views to be freely expressed
- c) Briefing all Directors in relation to issues arising at Meetings
- d) Ensuring positive culture and good corporate governance practices are inculcated in the Board, Group and Company
- e) Managing the interface between Board and Management
- f) Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole
- g) Other responsibilities as assigned by the Board from time to time.

5.2. Managing Director

The Managing Director holds the primary executive responsibility for the Group's business performance and manages the Group in accordance with the strategies and policies approved by the Board. He leads the Executive Director in making and implementing day-to-day operational business decisions, managing resources and risks in pursuing the corporate objectives of the Group. He brings material and other relevant matters to the Board, motivates employees, and drives change/innovation and growth within the Group.

5.3. Executive Director

Executive Director is involved in leadership roles overseeing the day-to-day operations within their specific area of expertise or assigned responsibility. They represent the company at the highest level and are decision makers on matters within their scope of works. They liaise frequently with the Managing Director to lead the management to drive the Group forward.

5.4. Independent Non-Executive Directors

Independent Non-Executive Directors are not involved in the day-to-day running of the Group but contribute their particular expertise and wealth of experience to developing the business strategy. They have various roles in the Board Committees and contribute significantly, especially in the enhancement of the corporate governance and controls of the Group. They must be individuals of high calibre, sound reputation and standing and bring independent judgment to the Board's decision making.

6.0 Company Secretary

6.1. The company secretary shall be responsible for the preparation of meeting agendas and the distribution of relevant Board papers to all Board members. He/She ensures that all Board procedures, applicable rules and regulations are complied with. The responsibility of the modern day Company Secretary has evolved from merely advising on administrative matters to now advising boards on governance matters. The Company Secretary through the Chairman plays an important role in good governance by helping the board and its committee to function effectively and in accordance with their terms of reference and best practices.

6.2. The roles and responsibilities of a Company Secretary include, but are not limited to the following:

- a) Manage all board and committee meeting logistics, attend and record minutes of all board and committee meetings and facilitate board communications;
- b) Advise the board on its roles and responsibilities;
- c) Facilitate the orientation of new directors and assist in director training and development;
- d) Advise the board on corporate disclosures and compliance with company and securities regulations and listing requirements;

- e) Manage processes pertaining to the annual shareholder meeting;
- f) Monitor corporate governance developments and assist the board in applying governance practices to meet the board's needs and stakeholders' expectations; and
- g) Serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

6.3. A suitably qualified Company Secretary possesses the knowledge and experience to carry out his functions. These may include knowledge in company and securities law, finance, governance, company secretaryship and other areas of compliance such as the listing requirements. The Company Secretary should undertake continuous professional development.

7.0 Board Meetings

7.1. Frequency of meetings

The Board shall meet quarterly and at any such times as it deems necessary to fulfill its responsibilities. The director should attend of at least 50% of all Board of Directors and Board Committee meetings, or as determined from time to time by the Board.

7.2. Quorum of meetings

A quorum for a meeting shall be at least two (2) members.

7.3. Notice, Agenda and Meeting Materials

The Board is provided with a meeting agenda and comprehensive board papers at least five (5) business days in advance of the board meeting. This is to ensure the Directors to discharge their duties and responsibilities competently and in a well-informed manner.

The Company Secretary records all the deliberations including pertinent issues, the substance of inquiries and responses, Board members' suggestions and the decision made in the Minutes of the Board meetings. The Minutes of every Board meeting are also circulated to the Directors for their perusal prior to confirmation of the Minutes at the following Board meeting.

8.0 Board Committees

8.1. The Board shall establish Board Committees as appropriate and necessary to oversee critical or major functional areas and to address matters which require detailed review or in-depth consideration.

8.2. The following Board Committees are established and operate within their specific Term of Reference:

- a) **Audit and Risk Management Committee**
To provide independent oversight of the Group's financial reporting, risk management and internal control framework and ensure checks and balances within the Group, and to ensure financial statements comply with applicable financial reporting standards.

To review and assess the suitability and independence of External Auditors.

- b) **Nominating Committee**
To provide a formal and transparent procedures on recruitment exercise on Director appointment and election, and annual assessment of effectiveness of the Board Committees and the Board as a whole, and the performance of individual Directors.
- c) **Remuneration Committee**
To provide a formal and transparent procedure for developing remuneration policy for Directors and ensuring that compensation is competitive and consistent with the Group's culture, objectives and strategy.

8.2. The duties and functions of these committees are specified in their respective Terms of Reference which are reviewed from time to time.

8.3. The Board may also delegate specific function to ad-hoc committees as and when need dictates.

9.0 Directors' Training and Education

All newly appointed Directors must complete the Mandatory Accreditation Programme (MAP) and to undergo suitable orientation training, followed by regular seminars and briefings as reviewed and/or recommended by the Nomination Committee to continuously upgrade their knowledge and understanding of their role and responsibilities, the economic scenario and the industry climate.

10.0 Conflict of Interests

Directors are required to act in the best interests of the Group.

A Director shall disclose to the Board, as soon as practicable:

- a) Any material personal interest they have in a matter which relates to the affairs of the Company; and
- b) Any other interest, which direct or indirect, which the Director believes is appropriate to disclose to avoid any conflicts of interest or the perception of a conflict of interest.

Should there be an actual, potential or perceived conflict of interest between the Company or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, the Director involved shall make full disclosure and act honestly in the best interests of the Company.

Refer to Conflict of Interest Policy for details procedures.

11.0 Code of Conduct

The Board has in place an Employee Code of Conduct Policy to emphasize the principles of discipline, good conduct, professionalism, loyalty, integrity and cohesiveness that are critical to the success and well-being of the Group. It also addresses conflict of interest, anti-bribery and corruption policy.

12.0 Whistleblowing Policy

The Board has in place a whistleblowing policy to provide employee and stakeholders with proper channels and guidance to report and disclose any legitimate concerns over any wrongdoing within the Group relating to unlawful conduct, inappropriate behaviour or misconduct relating to fraud, corrupt practices and/or abuse.

13.0 Review of Charter

The Board will periodically review this Charter, which may be amended from time to time to ensure relevance, effectiveness and consistency with the Group's objectives and current laws.

The Board adopted this Charter on 26 June 2023.