



GLOBETRONICS TECHNOLOGY BERHAD

**Company No: 199601037932 (410285-W)
(Incorporated in Malaysia)**

BOARD CHARTER

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1.0 Overview

This Board Charter sets out the authority, membership, roles and responsibilities of the Board of Directors (“Board”) of Globetronics Technology Berhad (“GTB” or “Group”), adopting principles of good corporate governance practices.

The Board is governed by, where applicable, GTB’s Constitution, the Companies Act 2016, Main Market Listing Requirements (LR) of Bursa Malaysia, Malaysian Code on Corporate Governance (MCCG) updated as of 28th April 2021 and other applicable laws and regulations.

This charter will serve as a primary reference for the members of the Board so that they are aware of their roles, duties and responsibilities and the application of principles and practices of good corporate governance in their business conduct and dealings in respect of, and on behalf of GTB and the various laws and legislations governing them and the Group.

2.0 Role of Board

- The Board of GTB is primarily responsible for ensuring that the principles of good corporate governance are practiced and appropriate governance structure is in place in creating, protecting and enhancing shareholders’ and stakeholders’ values and in promoting stability.
- The Board of GTB has a duty of being an effective steward and guardian in setting strategic directions which balances between operational profitability and long-term value creation, in governing the conduct of the Group’s business so as in compliance with the relevant laws and in maintaining an effective governance structure to ensure the appropriate management of risks and level of internal controls.

3.0 Board Structure and Composition

- The Board determines the Board size subject to limits imposed by the Constitution of GTB. The Constitution of GTB provides for a minimum of three (3) directors and a maximum of fifteen (15) directors.

The Board consists of a Chairman and a suitable number of Executive Directors (“EDs”) and Non-Executive Directors (“NEDs”). NEDs should be persons who possess the right character, experience, integrity, competence and time to effectively discharge his/her role as Director and to bring an independent judgement to bear on the issues of strategy, performance and resources including key appointments and standards of conduct.

- The Board recognizes the importance of diversity and takes into consideration the various diversity factors including background, education, knowledge, experience, age and gender to maintain a balanced Board composition. In regards to diversity, the Board expresses its commitment as set out in the Board Diversity Policy which is available for reference at Globetronics website.

4.0 Board Independence

- Independent Directors shall be independent of Management and free from any business or other relationship which could hinder or interfere with the exercise of independent judgment or the ability to act in the best interest of the Group.

- The number of independent directors should be significant to ensure their views will carry significant weight in Board decisions. Paragraph 15.02 of Main Market LR of Bursa Malaysia required at least 2 directors or 1/3 of the board of directors of a listed issuer, whichever is higher, to be independent directors and MCCG best practices propose that the number of independent directors should comprise of at least half of the membership of the Board. Collectively, the Board should have all the necessary skills, competencies and experience to fulfil the duties and objectives of the Board.
- In the event of any vacancy in the Board resulting in non-compliance with paragraph 15.02 of Main Market LR of Bursa Malaysia, GTB must fill the vacancy within 3 months from the date of the vacancy.
- The tenure of an independent director should not exceed a cumulative term limit of nine (9) years. If the Board intends to retain an independent director beyond nine (9) years, it shall justify and seek annual shareholders' approval through a two-tier voting process. If the Board intends to retain an independent director beyond twelve (12) years, the independent director need to be re-designated to a non-independent director.

5.0 Matters Reserved for the Board

The Board guides and monitors the business and affairs of the Group on behalf of the shareholders by whom they are elected and to whom they are accountable. In carrying out its responsibilities, the Board undertakes to serve the interests of shareholders, employees, and the broader community honestly, fairly, diligently and in accordance with applicable laws.

The following are matters which are specifically reserved for the Board and they constitute the key responsibilities of the Board, namely to:

- Review and monitor the Group's long-term business strategies and provide strategic direction to management;
- Establish and maintain good corporate governance practices;
- Deliberate and approve annual budget and major business/investment proposals/capital commitments;
- Review authority limits and changes (if any);
- Oversee risk management policy and ensure a system is in place for risk management and internal controls;
- Review and monitor implementation of sustainability strategies and initiatives;
- Establish Board Committees and approve of their Terms of Reference;
- Appoint and remove Directors and Senior Management and Company Secretary(ies) and approval of their terms of employment;
- Review and approve Group policies including remuneration policies and procedures for Directors and Senior Management;
- Review and approve of any proposed employee share option scheme and/or amendments to existing scheme, subject to legal and regulatory requirements;

- Review and approve the GTB's financial statements and other reporting as per the requirement of regulatory bodies; and
- Approve interim dividends, the recommendation of final dividends (if any) and the making of any other distribution.

6.0 Responsibilities and duties of the Board

The Board takes full responsibility for the overall performance of the Group and its obligations to the GTB's shareholders and stakeholders.

The principal responsibilities and duties of the Board, amongst others, are as follows: -

- Review and adopt strategic plans/direction of the Company and its Group and to monitor the implementation of such plans/directions by the Management;
- Review and adopt corporate objectives of the Company and its Group which includes performance targets and long-term and medium-term goals;
- Identify principal risks of the Group and to ensure the implementation of appropriate internal control and mitigation measures;
- Identify and ensure that the strategic plan of the Company supports long-term value creation and includes on economic, environmental and social considerations underpinning sustainability;
- Set, review and oversee the implementation of the Group's sustainability strategies, priorities and targets periodically together with management;
- Understand and keep abreast with the sustainability issues relevant to the Group and their business, including climate-related risks and opportunities;
- Succession planning for CEO and Senior Management, including the implementation of appropriate systems for recruiting, training and determining the appropriate compensation benefits;
- Oversee the implementation of a shareholders' communication policy and investors' relations program for the Company, to enable effective communications with its shareholders and stakeholders;
- Review the adequacy and integrity of the Group's internal control systems and management information systems and to ensure regulatory compliance with applicable laws, regulations, rules and guidelines;
- Oversee the establishment and implementation of the Group's Anti-Corruption and Bribery Policy and Program which guide the acceptable practices and behaviour of Directors, Management and employees;

- Oversee the establishment and implementation of the Group’s Whistleblowing Policy and Procedures. The Board shall encourage the report of genuine concerns and ensure that such legitimate concerns are objectively investigated and addressed;
- Oversee management of safety and security risks to ensure protection of personnel, information and other assets; and
- Delegate certain responsibilities to the various Board Committees with clearly defined terms of reference to assist the Board in the discharge of its responsibilities.

7.0 Delegation to Board Committees

The Board delegates responsibilities of specific matters to the Board Committees to assist in the discharge of its responsibilities. The Board Committees report and make recommendations to the Board who is ultimately responsible for all decision making.

The current Board Committees of GTB are: -

- Audit and Risk Management Committee (“ARMC”)
ARMC assists the Board to oversee the integrity of financial reporting and compliance with the relevant financial reporting standards, related party transactions, conflict of interest situations and audit which include, but not limited to, assessing the effectiveness of the risk management framework and internal control, evaluation of external auditors and assessing the independence of external and internal auditors.
- Nominating Committee (“NC”)
NC assists the Board to oversee the selection and assessment of Directors to ensure that the Board has the appropriate composition, diversity and independence, evaluate potential new candidates to be appointed as Director and Senior Management and recommend on the re-election and/or retention of Directors. NC also undertake to assess the training needs of Directors and perform annual evaluation of effectiveness of the Board, Board Committees and Directors.
- Remuneration Committee (“RC”)
RC assists the Board to review and recommend remuneration packages for Directors and senior management to attract, retain and motivate Directors and senior management to effectively manage the Group’s business and align their interest with those of the shareholders.
- Employee Share Options Scheme (“ESOS”) Committee
ESOS Committee assists the Board to implement and administer the ESOS scheme and to enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions relating to the ESOS subject to the provision of the ESOS By-Laws.

Each Board Committee has its own Terms of Reference that is approved by the Board which outline the roles, responsibilities, powers and authority delegated to these Committees. These Terms of Reference are available for reference at Globetronics website.

8.0 Delegation to Management

The Board is responsible for the strategic direction and plan for the Group while the management led by the CEO is responsible for the achievement of the planned results for the Group by managing the day to day operation subject to the specified delegations of authority as approved by the Board.

9.0 Separation of Role between Board Chairman and Chief Executive Officer (“CEO”)

There is a separation of role between the Board Chairman and CEO to ensure a clear division of responsibilities and a balance of control, power and authority.

9.1 Role of Chairman

The Chairman presides over meetings of Directors and is responsible for instilling good corporate governance practices, leadership and the effectiveness of the Board. The Chairman is not a member of ARMC, NC and RC. The duties of the Chairman include the following:

- Provides leadership, sets the Board agenda and ensure sufficient time is available for discussion of all agenda in order for the Board to discharge of its fiduciary duties effectively;
- Takes a leading role in instilling and monitoring good corporate governance practices in the Group;
- Leads Board meetings and discussions to ensure robust decision-making;
- Manages Boardroom dynamics by promoting a culture of openness and debate as well as encourages active participation and allowing dissenting views to be freely expressed;
- Promotes constructive relations between executive, non-executive directors and between Board and management; and
- Represents GTB at stakeholder’s meetings and ensures appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

9.2 Role of CEO

The CEO implements the policies, strategies and decisions adopted by the Board. He is responsible for the day-to-day management of the Company’s operations and shall adhere to the guidelines and instructions provided by the Board. Broadly the responsibilities include the following:

- Keeps the Board informed of salient aspects and issues concerning the Group's operations, including those related to environment, safety and health;
- Serves as the conduit between the Board and Management in ensuring the success of the Group's governance, sustainability matters and management functions;
- Provides leadership by effectively communicating the vision, management philosophy, business strategy and environment, safety and health policy to employees;
- Responsible for the managing of the Group’s material sustainability risk and opportunities and ensuring effective implementation of company’s sustainability strategies and plans;

- Promotes good governance while overseeing the day-to-day business operations, implementing Board policies and strategies, and making operational decisions; and
- Ensures effective relationships and communication with Management, and between the Board, shareholders and relevant stakeholders.

10.0 Role of Individual Directors

A director shall:

- be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board;
- at all times exercise his/her powers in good faith and in the best interest of the Group and shall act with integrity and use reasonable care, skill and diligence in the discharge of the duties of his/her office;
- not make use of any information acquired by virtue of his position to gain directly or indirectly an improper advantage for himself/herself or for any other person or to cause detriment to the Group;
- devote time and effort to attend meetings and to know what is required of the board and each of its directors, and to discharge those functions;
- cognizant of latest changes in law, regulatory, accounting standards and corporate governance as well as broad business trends and technology development relevant to the Group's strategy and operations. Directors who are well informed would be in a better position to evaluate proposals made by Management and to ask the right questions; hence, be more effective as directors;
- limit his directorship of companies to a number in which he can best devote his time and effectiveness; each director is his own judge of his abilities and how best to manage his time effectively in the company in which he holds directorship. At any point of time, the number of directorships held by individual directors shall not exceed five (5) in listed issuers in Malaysia [paragraph 15.06 of Listing Requirements]; and
- observe the highest standards of ethical behavior and shall be guided by the Principles of Business Conduct.
- shall declare any conflict of interest that are apparent prior to their appointment. In the event that directors are aware of any potential conflict of interest situations, these shall be disclosed to the Board as soon as practicable.

11.0 Appointment, Retirement and Re-election of Directors

NC is responsible for considering and making recommendations to the Board candidates for directorship when the need arises such as to fill a vacancy arising from resignation or retirement or to close any skills, competencies or diversity gap that has been identified.

In assessing the suitability of a candidate, the NC will take into consideration the candidate's skills, knowledge, expertise, competence and experience, time commitment, character, professionalism and integrity. For the position of independent non-executive director, the NC will evaluate the candidate's ability to discharge such responsibilities as expected from an independent non-executive director. Recruitment matters are discussed by the Committee before the entire Board makes the final decision on new appointments.

Re-appointment and re-election of directors at the Annual General Meeting ("AGM") are recommended by NC to the Board for its approval.

In accordance with the Company's Constitution, all directors are subject to retire by rotation at least once every 3 years but shall be eligible for re-election.

The Company's Constitution also provides that any director appointed during the year shall retire and seek re-election by the shareholders at the forthcoming AGM immediately after his/her appointment.

12.0 Orientation and Training

All directors are required to attend the Mandatory Accreditation Program and complete within the stipulated timeframe as per paragraph 2.2, Practice Note 5 of Listing Requirements.

Newly appointed directors are given an orientation pertaining to the overview of the Group's operations and furnished with the corporate governance documents and policies for them to familiarize with the Group's strategies and operations.

The Board via NC will assess and ensure all directors receive appropriate continuous training particularly on the changes in the relevant law and regulations and essential practices for effective corporate governance, sustainability and risk management as well as broadening their perspective and keeping abreast with developments in the market place.

13.0 Access to Information and Professional Advice

The Board members have unrestricted access to all information within the Group as supplied by the Group's senior management in a timely manner in order for the Board to discharge its responsibilities. During the meetings, the management provides further advice, detailed information and clarification on any issues raised by the directors.

All directors have full access to the advice and services of the Company Secretaries.

The directors may also obtain independent professional advice at the Group's expense in furtherance of its duties. The directors shall discuss with the chairman prior to engaging an independent third party. Whenever necessary, professional advisers and experts are invited to brief the Board on their areas of expertise, provide further information and respond directly to directors' queries.

14.0 Directors' Remuneration

The Group's framework on directors' remuneration has the underlying objectives of attracting and retaining directors of high caliber needed to run the Group successfully. In the case of EDs, the various components of the remuneration are structured so as to link rewards to corporate and

individual performance. In the case of NEDs, the level of remuneration reflects the expertise, experience and level of responsibilities undertaken by the NEDs concerned. Where applicable, the Board also takes into consideration any relevant information provided by independent consultants or from survey data.

The NEDs are paid a meeting allowance for each Board meeting they attend. Similarly, members of Board Committees are also paid a meeting allowance for each Committee meeting they attend.

15.0 Declaration of Interest/Conflict of Interest

Directors are expected to avoid any action, positions or interest that conflicts with an interest of the Group, or gives the appearance of a conflict.

The Board members shall declare any conflict of interest at least on annual and/or on need basis.

A director, who is in any way, whether directly or indirectly interested in a contract or proposed contract with the Group shall declare the nature of his interests in accordance with the provisions of the Companies Act, 2016 and shall excuse himself from Board discussions and deliberations and voting in respect of those resolutions/interests.

16.0 Board Meetings and Procedure

The Board shall meet at least five (5) times a year and has a formal schedule of matters reserved for the Board to decide.

The quorum for the Board meeting shall be 3 members.

A director may participate in a meeting by means of a telephone conference or video conference or any other means of audio-visual communications and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

The meeting materials are circulated at least five days in advance of the Board meeting.

The EDs and Chief Financial Officer ("CFO") are responsible for the appropriate preparation and documentation of issues to be dealt with by the Board. The Board documentation shall contain sufficient information to provide the Board members with an adequate basis to deliberate and reach a decision on the issue in question.

Directors are expected to participate fully and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board. Board discussions will be open and constructive, recognizing that genuinely held differences of opinion could bring greater clarity and lead to better decisions.

All proceedings of Board Meetings are minuted by the Company Secretaries, reviewed by the Chairman and circulated to the Board members in a timely manner. Minutes of meetings of each committee are also circulated to the Board Members for review and the directors may request clarification or raise comments on the minutes wherever necessary.

17.0 Company Secretaries

The Board shall appoint a qualified Company Secretary to act as an advisor to the Board on governance matters.

The Company Secretaries are responsible for proper maintenance of secretarial records, preparation of resolutions and other secretarial functions of GTB. The Company Secretaries attend all Board and general meetings of GTB and record the minutes of the meetings.

The Company Secretaries also regularly update the Board on the changes of the Listing Requirements upon receiving the circulars from Bursa Securities, which are relevant to GTB and provide advice on corporate disclosures and compliances.

The Company Secretaries attend seminars and conferences to keep themselves abreast with the regulatory changes and other areas of sustainability, governance, finance and accounting.

18.0 Shareholders Communication

The Board ensures timely release of financial results and various announcements to provide shareholders with an overview of the Group's performance, corporate strategies and other matters affecting the interests of shareholders.

The Board's primary contact with major shareholders is via the CFO, who has regular dialogue with institutional investors and deliver presentations to analysts and fund investors periodically.

The Board maintains appropriate corporate disclosure policies and procedures, which are in compliance with the Main Market LR of Bursa Malaysia.

The AGM is the principal forum for dialogue with shareholders. Chairman of the board shall ensure the AGM supports meaningful engagement between the board, senior management and shareholders. The notice of AGM shall be sent out to shareholders at least 28 days before the date of the AGM.

19.0 Conflict Resolution

The Board is committed to reaching a prompt and fair resolution of any disputes, conflicts, or disagreements should they arise from time to time, and which may jeopardize the functioning of the board.

The conflict may be between directors, by a director regarding a board policy, process or procedure or by a director regarding a resolution of the board.

The Board encourages directors to resolve any issues or concerns that they may have at the earliest opportunity. It is important that as issues arise, they are dealt with in a fair and timely manner. Conflicts shall be resolved by an informal discussion between the parties and if needed, the chairman shall act or appoint a director to be a mediator to resolve the conflict.

20.0 Board and Board Committee Evaluation

The Board, through NC, shall undertake an annual assessment on the directors, Board Committees and Board effectiveness as a whole including the composition, degree of independence, right mix of expertise, experience and skills, quality of information, decision making and boardroom activities.

The assessment results would be used as reference for further development and enhancement of the directors, Board Committees and Board.

21.0 Review

The Board shall review and update the Board Charter periodically taking into consideration the needs of the Group as well as any development in rules and regulations that may have an impact on the discharge of the Board's duties and responsibilities.

Reviewed and Approved on 25 July 2023
