

Sarawak Cable Berhad

Board Charter

1. Introduction

The Board of Directors (“the Board”) of Sarawak Cable Berhad (“the Company”) are committed to upholding the highest standard of Corporate Governance throughout the Company and its subsidiaries (“the Group”) by applying the following principles of good governance in the discharge of the Board’s duties and responsibilities and in all of the Group’s business dealings with its shareholders and relevant stakeholders:

- the business of the Company is managed by the Directors within the powers under the Company’s Memorandum and Articles of Association and Companies Act 2016;
- the Board is expected to exercise their powers for proper purpose and in the best interest of the Company; and
- this Board Charter shall constitute and form an integral part of the Directors’ duties and responsibilities.

2. Objectives

This Board Charter acts as a source of reference and primary guide to the Board and Senior Management as it sets out the role, functions, composition, operation and processes of the Board and seeks to ensure that all Board members are aware of their duties and responsibilities. It also highlights the principles and practices of good Corporate Governance that must be applied for all dealings with and on behalf of the Company.

The Board Charter will assist the Board in assessing its performance of each individual Board Member.

The Board acknowledges that it has full right to carry out its duties and that this Board Charter is not intended to limit the Board’s discharge of its duties in accordance with and as required by all applicable laws.

3. The Board

3.1 Board Membership

3.1.1 Composition and Board Balance

3.1.1.1 The Board comprises members of diverse professional backgrounds, skills, extensive experience and knowledge in the areas of finance, business, general management and strategy required for the successful direction of the Group.

3.1.1.2 The Company’s Articles of Association provides for a minimum of two (2) directors and a maximum of fifteen (15) directors.

3.1.1.3 At any point in time, at least one-third (1/3) of the Board members must comprise of Independent Directors.

3.1.1.4 The presence of the Independent Non-Executive Directors is essential in providing unbiased and impartial opinions, judgements and advices to ensure that the interests of the Group, shareholders, employees, customers, suppliers and other communities in which the Group conducts its business are well represented. The Independent Non-Executive Directors therefore lay a key role in corporate accountability.

3.1.2 Appointments

3.1.2.1 The Nomination Committee makes independent recommendations for appointment of new Director for consideration and decision by the full Board. In making these recommendations, the Nomination Committee assesses the suitability of the candidates, taking into account the required mix of skills, knowledge, expertise and experience, professionalism, integrity, competencies, time commitment, gender diversity and other qualities of the candidates.

3.1.2.2 The Company Secretary has the responsibility for ensuring that the relevant procedures relating to the appointment of new Directors are properly executed.

3.1.2.3 Any Board Members are at liberty to accept other board appointments so long as such appointments are not in conflict with the business of the Group, do not adversely affect the Directors' performance and contributions as a member of the Board and that at any point in time, the total directorships held must comply with the requirements prescribed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad from time to time.

3.1.3 Re-election

3.1.3.1 The Articles of Association provide that all Directors who are appointed by the Board may hold office until the following Annual General Meeting ("AGM") subsequent to their appointment and shall be eligible for re-election. This shall not be taken into account in determining the Directors who are required to retire by rotation at that AGM.

3.1.3.2 The Articles of Association also provides that all Directors, including the Managing Director shall retire from office once at least in each three (3) years and one-third (1/3) of the Directors are subject to retirement by rotation at every AGM but are eligible for re-election.

3.1.3.3 The Board will consider the assessment of the Directors standing for re-election and re-appointment to ensure that such Directors meet the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as Directors.

3.1.4 Independence

3.1.4.1 At least one-third (1/3) of the membership of the Board are Independent Board members.

3.1.4.2 The Board comprises of a blend of members who are able to provide unbiased and impartial opinions, judgements and advises to ensure that the interests of the Group are well represented.

3.1.4.3 The Board must annually assess the independence of each Independent Director in light of the interests they have disclosed and other factors as the Board determines are appropriate to take into account in determining whether the Director is independent of management and free of any relation or business that could or could be or be perceived to materially interfere with the exercise of their independent judgement. Each Independent Director shall be assessed annually to ensure independence in accordance with the criteria as prescribed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and any other applicable law, regulation or the Malaysian Code on Corporate Governance.

- 3.1.4.4 The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, such Independent Director may continue to serve where upon assessment by the Nomination Committee, there is a strong justification for such Independent Director to remain, the Board may justify and make recommendation of the same to the shareholders for approval.
- 3.1.4.5 If the Board continues to retain the Independent Director after the twelve (12) years, the Board should seek annual shareholders' approval through a two-tier voting process.
- 3.1.5 Other Directorships
 - 3.1.5.1 All Board members notify the Chairman of the Board before accepting any new directorships in any other organisation. The notification shall include an indication of time commitment required under the new appointment.
 - 3.1.5.2 An assessment shall be carried out for any newly appointed Director to ensure that the Director has the character, experience, integrity, competence and time to effectively discharge their role.
- 3.1.6 Directors' remuneration
 - 3.1.6.1 The remuneration of Executive Director and Non-Executive Directors are subject to review and recommended by the Remuneration Committee.
 - 3.1.6.2 The remuneration of the Executive Director will be decided by the Board as a whole and is structured in a manner wherein an Executive Director is rewarded based on the Company's performance and also individual performance.
 - 3.1.6.3 The remuneration of Non-Executive Directors shall also be decided by the Board as a whole and shall commensurate with their responsibilities, time commitment, experience and expertise.
 - 3.1.6.4 Any increase in Non-Executive Directors' remuneration shall be approved at a general meeting of the Company.
- 3.1.7 Directors' training and continuing education
 - 3.1.7.1 The Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes. This will enable Directors to effectively discharge their duties and sustain active participation during the Board deliberations.
 - 3.1.7.2 The Nomination Committee and the Board shall assess the training needs of each Director on an ongoing basis by determining areas that would best strengthen their contributions to the Board.

3.2 Board role

3.2.1 Duties and responsibilities

The Board assumes the following duties and responsibilities:

- 3.2.1.1 reviewing and adopting the strategic business plan for the Group;
- 3.2.1.2 oversee the conduct of the business affairs of the Group's business operations and performance to ensure appropriate processes and internal controls are in place;
- 3.2.1.3 promote good Corporate Governance within the Group which reinforces ethical, prudent and professional behaviour;
- 3.2.1.4 review, challenge and decide on management's proposal for the Group and monitor the implementation by management;
- 3.2.1.5 ensure the long term strategic plan includes economic, environmental and social considerations underpinning sustainability;
- 3.2.1.6 ensure Senior Management has the necessary skills and experience, and measures in place to provide for orderly succession of Board and Senior Management;
- 3.2.1.7 ensure the integrity of the Company's financial and non-financial reporting;
- 3.2.1.8 reviewing the adequacy and ensuring that risk management framework, reporting framework and systems for compliance with applicable laws, regulations, rules and guidelines are in place; and
- 3.2.1.9 reviewing, adopting and implementing appropriate corporate disclosure policies and procedures.

3.2.2 Discharge of Directors' duties

3.2.2.1 In discharging duties as Directors', each Director must:

- (i) act in good faith and in the best interest of the Company;
- (ii) exercise care, skill and diligence; and
- (iii) commit sufficient time to effectively discharge their roles as Directors.

3.2.3 Matters reserved for the Board

- (i) approval of corporate/strategic directions/plans;
- (ii) approval of annual budgets, including major capital commitments and capital expenditure budgets;
- (iii) approval of new ventures;
- (iv) approval of material acquisitions and disposals of undertakings and properties or any significant expenditure which exceeds the authority limit delegated to the members of management;
- (v) appointment of all other Board members, Board Committee members, Managing Director, Chief Operating Officer and the Company Secretary;
- (vi) any matters in excess of any discretions that it may have delegated from time to time to the Managing Director and management; and
- (vii) any matters and/or transactions that are within the ambit of the Board pursuant to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company's Articles of Association or any other application rule.

3.2.4 Chairman and Managing Director

The Company aims to ensure a balance of power and authority between the Chairman and the Managing Director with a clear division of responsibility between the running of the Board and the management of the Company's day to day business. The positions of the Chairman and Managing Director/ are separated and clearly defined.

3.2.4.1 Chairman

The responsibilities of the Chairman, amount others are as follows:

- (i) to ensure effective conduct of the Board;
- (ii) to encourage participation and deliberation by all members of the Board to enable the wisdom of all members of the Board to be tapped;
- (iii) to promote consensus building, taking into account the concerns of all Directors as much as possible;
- (iv) to ensure effective communication with shareholders and stakeholders;
- (v) providing leadership to the Board, n setting the strategic direction of the Group;
- (vi) leads the Board in establishing and monitoring good Corporate Governance practices; and
- (vii) setting the Board agenda (with the assistance of the Company Secretary) and ensure board members receive complete and accurate information in timely manner.

3.2.4.2 Managing Director

The responsibilities of the Managing Director, among others are as follows:

- (i) overall responsibilities over the Group's operational and business segments, implementation of the Board policies, directives, strategies and to act as the main conduit between the Board and Senior Management;
- (ii) to ensure the efficiency and effectiveness of the operation for the Group;
- (iii) to assess business opportunities which are of potential benefit to the Group; and
- (iv) to bring material and relevant matters to the attention of the Board in an accurate and timely manner.

3.2.5 Board Committees

The Board has established the following Board Committees with specific terms of reference to assist the Board in fulfilling its duties and responsibilities:

- (i) Audit Committee;
- (ii) Nomination Committee;
- (iii) Remuneration Committee; and
- (iv) Risk Management Committee.

The Board Committees comprise exclusively of non-executive independent directors. Details of the membership are published in the Annual Report and summary of the duties and responsibilities are governed by respective Committee's terms of reference which are available on the Company's website. The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings and such reports will be reported to the Board at the Board of Directors' meeting.

3.3 Meeting of the Board and Supply of information

- 3.3.1 The Board conduct at least four (4) scheduled meetings a year, with additional meetings convened as and when necessary to deliberate and decide on urgent matters.
- 3.3.2 All Directors are given due notice of proposed dates of meetings during the financial year and standard agenda and matters to be tabled to the Board.
- 3.3.3 All Board meetings shall be chaired by the Chairman of the Board. The Chairman has the discretion to call for additional meetings at any time. Where the Chairman is absent, the Directors present shall elect one (1) of their members to be the Chairman of the meeting. The quorum for each meeting shall be at least two (2) Directors. In the absence of a meeting, issues shall be resolved by way of circular resolutions.
- 3.3.4 Agenda of the meeting together with copies of the Board Papers are furnished to each Board Members' at least five (5) business days prior to the Board or Committee meeting to ensure that all the Directors are well informed and have the opportunity to seek additional information and are able to obtain further clarification, advice and services from the management should a need arise.
- 3.3.5 Additionally, the Board is also furnished with ad-hoc reports to ensure that they are appraised on financial, operational, corporate, legal and regulatory matters as and when the need arises.
- 3.3.6 The Board has unrestricted and immediate access to the members of the management and all information on the affairs of the Group.
- 3.3.7 All Directors may at the Group's expense seek external and independent professional advice and assistance from experts in furtherance of their duties.

4. Company Secretary

- 4.1. The Board appoints the Company Secretary who plays an important advisory role, and ensure that the Company Secretary fulfils the functions for which he/she has been appointed.
- 4.2 The Company Secretary is accountable to the Board through the Chairman of the Board and the Board Committees on all governance matters.
- 4.3 The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.
- 4.4 The Company Secretary keeps abreast of and inform the Board of all current governance practices.
- 4.5 The Board members have unlimited access to the professional advice and services of the Company Secretary.
- 4.6 The Board will assess the Company Secretary(ies) annually on criteria, such as qualification, skills, experience and time commitment of the Company Secretary.
- 4.6 The removal of the Company Secretary is a matter for consideration of the Board as a whole.

- 4.7 In performing this duty, the Company Secretary carries out, among others, the following tasks:
- (i) statutory duties as specified under the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
 - (ii) attending Board and Board Committees meetings and ensuring that all meetings are properly convened and proceedings are properly recorded;
 - (iii) ensuring timely communication of the Board level decisions to management;
 - (iv) ensuring that all appointments to the Board and Board Committees are properly made;
 - (v) maintaining records for the purposes of meeting statutory obligations;
 - (vi) facilitating the provision of information as may be requested by the Directors from time to time;
 - (vii) advising the Directors on corporate disclosure matters concerning interest in securities, conflict of interest in transactions, prohibitive dealings and restrictive disclosure of price-sensitive information;
 - (viii) supporting the Board in ensuring adherence to Board policies and procedures; and
 - (ix) managing the AGM that includes the preparation of the Annual Report, Circular to Shareholders, Notice of AGM, working with the Share Registrars and ensuring that the due processes and proceedings are in place for the effective conduct of the AGM.

5. Investor relations and shareholder communication

5.1 The Board place great importance in promoting effective communication and proactive engagements with the Company's shareholders. The Board shall also ensure high standards of transparency and accountability in its communication with shareholders, as well as with potential investors, analyst and the public. The shareholders shall be informed of all material matters affecting the Group and Company.

5.2 The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.

5.3 The Board views general meetings as an important mechanism in shareholders communication. The Board encourages shareholders participation at general meetings and ensures that reasonable time is provided for discussion of genuine questions at the meeting.

5.4 An online Investors section which can be accessed by shareholders and the general public via the Company's website provides easy access to corporate information pertaining to the Company and its activities which is continuously updated.

6. Application

6.1 The principles set out in the Board Charter are kept under review and updated as practices on Corporate Governance develop and further guidelines on Corporate Governance are issued by the relevant regulatory authorities from time to time.

6.2 The Board endeavours to comply at all times with the principles and practices set out in the Board Charter.

7. Review of the Board Charter
 - 7.1 The Board Charter was adopted by the Board on 29 March 2018. Any subsequent amendment to the Board Charter must be approved by the Board.
 - 7.2 The Board Charter will be reviewed periodically reviewed by the Board and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board’s responsibilities.
 - 7.3 The Board Charter is made available for reference in the Company’s website at <http://sarawakcable.com/board-charter/>.