



# IRE-TEX CORPORATION BERHAD

(Company No: 576121-A)

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## BOARD CHARTER

### 1. OVERVIEW

The Board of Directors (“Board”) of Ire-Tex Corporation Berhad (“the Company”) is committed towards ensuring good corporate governance practices are implemented and maintained throughout the Company and its subsidiaries (“the Group”) as a fundamental part of discharging its duties to enhance shareholders’ values consistent with the principles and best practices set out in the Malaysian Code on Corporate Governance 2012 (“the Code”).

This Board Charter sets out the composition and balance, roles and responsibilities, operation and processes of the Board and is to ensure that all Board Members acting on behalf of the Company are aware of their duties and responsibilities as Board Members.

### 2. COMPOSITION AND BALANCE OF THE BOARD

#### 2.1 Size and Composition

The Board comprising members with a wide range of experience and qualifications. The Board focuses mainly on strategies, financial performance and critical business decisions.

The Articles of Association of the Company provides for a minimum of two (2) Directors and a maximum of twelve (12) Directors. At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members shall comprise Independent Directors. If the Chairman is not an Independent Director, the Board shall comprise a majority (more than half) of Independent Directors.

The composition and size of the Board are reviewed from time to time to ensure its appropriateness.

#### 2.2 Nomination and Appointments

The members of the Board are appointed in a formal and transparent practice as endorsed by the Code. The Nomination Committee will make recommendations to the Board who will thereon assess the shortlisted candidates and arrive at a decision on the appointment of the Director. The Company Secretary will ensure that all appointments are properly made and that all legal and regulatory obligations are satisfied and complied.

In assessing suitability of candidates, considerations will be given to the competencies, commitment, contribution and performance.

All Board members shall notify the Chairman of the Board before accepting any new Directorship in other companies. The notification shall include an indication of time that will be spent on the new appointment. The Chairman shall also notify the Board if he has any new Directorship or significant commitments outside the Company.

#### 2.3 Re-election

In accordance with the Company’s Articles of Association, at least one third of the Directors shall retire at the Annual General Meeting (“AGM”), and be eligible for re-election provided that all Directors shall retire at least once in every three (3) years. Directors who are appointed by the Board in the course of the year shall subject to re-election at the next AGM to be held following their appointment.

Directors who are over seventy (70) years of age are required to submit themselves for annual re-appointment in accordance with Section 129(6) of the Companies Act, 1965.

## **2.4 Independence**

The presence of Independent Non-Executive Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision making remains objective and independent whilst assuring the interest of other parties such as minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration.

## **2.5 Tenure of Independent Director**

The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director.

The Board may, in exceptional cases and subject to the assessment of the NC on an annual basis, recommend for an independent Director who has served a consecutive or cumulative term of nine (9) years to remain as an independent Director subject to Shareholders' approval.

## **2.6 Evaluation of the Directors and the Board as a whole**

The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and its Committees. The Nomination Committee is given the task to review and evaluate the individual Director's performance and the effectiveness of the Board and the Board's Committees on an annual basis. In assessing suitability of candidates, considerations will be given to the competencies, commitment, contribution and performance.

The Nomination Committee will evaluate each individual Director's contributions to the effectiveness of the Board and the relevant Board committees and report to the Board

# **3. ROLES AND RESPONSIBILITIES**

## **3.1 Board Responsibilities**

The Managing Director ("MD") and Executive Director(s) of the Company have the overall responsibility to manage the day-to-day operations of the business, implementation of Board policies and making strategic decisions for the expansion of the business. The Non-Executive Directors contribute their expertise and experiences to give independent judgment to the Board on issues of strategy, performance and resources, including major policies, key directions and standards of conduct.

The stewardship responsibilities and duties of the Board focuses principally on strategies, financial performance and critical business decisions that may include the following:-

- i. Reviewing and adopting a strategic plan for the Company.
- ii. Overseeing and evaluating the conduct and sustainability of the business of the Group.
- iii. Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures.
- iv. Establishing key performance indicators and succession plan and ensuring that all candidates appointed to senior management positions are of sufficient caliber.
- v. Overseeing the development and implementation of the shareholder communications policy for the Company.

- vi. Reviewing the adequacy and the integrity of the management information and internal controls system of the Company.

The Directors are required to declare their direct and indirect interests in the Company and related companies. The Directors are also responsible to declare whether they and/or any person(s) connected to them have any potential conflict of interest in any transaction and/or in any contract with the Company and/or any of its related companies. Any Director who has an interest in any related party transaction shall abstain from the Board deliberation and voting and shall ensure that he or she and person(s) connected to him or her will abstain from voting on the related resolution.

### **3.2 Responsibilities of the Chairman**

The Chairman carries out a leadership role in the conduct of the Board and in his relations with shareholders and other stakeholders. The primary responsibilities of the Chairman are, amongst others, as follows:-

- i. To provide leadership to the Board.
- ii. To oversee the effective discharge of the Board's supervisory role.
- iii. To facilitate the effective contribution of all Directors.
- iv. To conduct and chair Board Meetings and General Meetings of the Company.
- v. To manage Board communications and Board effectiveness
- vi. To ensure that quality information to facilitate decision-making is delivered to the Board on timely manner.
- vii. To ensure Board Meetings and General Meetings are in compliance with good conduct and best practices.
- viii. To perform other responsibilities assigned by the Board from time to time.

### **3.3 Responsibilities of the Managing Director**

The role of the Chairman and the Managing Director ("MD") are distinct and separate to ensure there is balance of power and authority. The MD has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions.

The responsibilities of the MD, amongst others, are as follows:

- i. To develop and recommend to the Board strategic business direction, plans and policies of the Group that leads to the creation of shareholder value.
- ii. To develop and recommend to the Board the operational plan and annual budget that supports the Company or the Group's long-term strategy.
- iii. To ensure the efficient and effective operation of the Group.
- iv. To manage the overall business and oversees the day-to-day management of the Group.
- v. To ensure that the Company or the Group achieves and maintains a satisfactory competitive positions within its industry.
- vi. To formulate and oversee the implementation of major corporate policies.
- vii. To responsible for the financial management of the Company and/or the Group and overseeing the handling of financial matters.
- viii. To bring material matters to the attention of the Board in an accurate and timely manner.
- ix. To serve as the chief spokesperson for the Group.

### **3.4 Responsibility of the Executive Director(s)**

The Executive Director(s) is/are involved in leadership roles overseeing the day-to-day operations and management within their specific areas of expertise or assigned responsibilities. They represent the Company at the highest level and are decision makers on matters within their scope.

They liaise frequently with the MD and with each other to lead the management to drive the Company and the Group forward.

The responsibilities of the Executive Director(s), amongst others, are as follows:

- i. To develop and implement strategic business direction, plans and policies of the Group.
- ii. To ensure the efficiency and effectiveness of the Group's operations.
- iii. To supervise heads of divisions and departments who are responsible for all functions contributing to the success of the Group.
- iv. To oversee the day-to-day management of the Group with all powers, discretions and delegations authorised, from time to time, by the Board.
- v. To assess business opportunities which are of potential benefit to the Group.
- vi. To bring material matters to the attention of the Board in an accurate and timely manner.

### **3.5 Board Committees**

The Board may from time to time establish Committees as is considered appropriate to assist in carrying out its duties and responsibilities. The Board delegates certain functions to the following Committees to assist in the execution of its responsibilities.

i. **Audit Committee**

Audit Committee assists in providing oversight on the Group's financial reporting, disclosure, regulatory compliance, risk management and monitoring of internal control processes within the Group, reviews the quarterly financial results, unaudited and audited financial statements, internal and external audit reports as well as related party transactions.

ii. **Nomination Committee**

The Nomination Committee oversees matters relating to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director as well as identify candidates to fill board vacancies, and nominating them for approval by the Board.

iii. **Remuneration Committee**

The Remuneration Committee is responsible for recommending to the Board the remuneration of Executive Directors, Non-Executive Directors and Senior Management in all its forms, drawing from outside advice if necessary.

The Committees shall operate under clearly defined Terms of Reference. The Committees are authorized by the Board to deal with and to deliberate on matters delegated to them within their terms of reference.

### **3.6 Company Secretary**

The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.

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.

The Board recognises the fact that the Company Secretary should be suitably qualified and capable of carrying out the duties required.

All Board Members, have unrestricted access to the advice and services of the Company Secretary for the purposes of the Board's affairs and the business.

#### **4. BOARD PROCESSES**

##### **4.1 Board Meetings**

The Board meets at least four (4) times a year, on a quarterly basis, with additional meetings to be convened whenever necessary. The Directors receive notices of meetings, typically at least seven (7) days prior to the date of the meeting, highlighting the agenda of the meeting. The relevant papers for meeting, with full and fair disclosures relating to the agenda items, are disseminated to all Directors in advance to provide sufficient details of matters to be deliberated during the meeting. Information provided is not confined to financial data but also other non-financial information, both quantitative and qualitative, which are deemed to be critical in arriving at a sound and informed decision.

Minutes of Board meetings together with decisions made by way of circular resolution are duly recorded and properly kept by the Company Secretary.

##### **4.2 Directors' Training**

In addition to the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad, the Directors are encouraged to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors. The Board will assess the training needs of the Directors and ensure Directors have access to continuing education programme. The Board shall disclose in the Annual Report the trainings attended by the Directors.

##### **4.3 Access to Information and Independent Advice**

The Directors have unrestricted access to the advice and services of the Company Secretary and Senior Management staff in the Group. The Directors also have access to the internal and external auditors of the Group, without Management present to seek explanations or additional information.

The Directors, collectively or individually, may seek independent professional advice and information in the furtherance of their duties at the Company's expense, so as to ensure the Directors are able to make independent and informed decisions.

##### **4.4 Investor Relations and Shareholder Communication**

The Board values the importance of timely and equal dissemination of information on major developments of the Group to the shareholders, potential investors and the general public. Quarterly results, announcements, annual reports and circulars serve as primary means of dissemination of information so that the shareholders are constantly kept abreast on the Group's progress and developments. The Company's corporate website serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, news and events relating to the Group.

The Board will ensure that the General Meetings of the Company are conducted in an efficient manner and serve as a mode in shareholders communications. These include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the General Meetings.

The annual general meeting remains as a principal forum used by the Company for communication with its shareholders. Shareholders are also invited to convey and share their inputs with the Board.

**5. REVIEW OF THE BOARD CHARTER**

The Board will review this Charter from time to time and make any necessary amendments to ensure they remain consistent with the Board's objectives, current law and practices. The Board Charter is made available for reference in the Company's website.