

PLASTRADE TECHNOLOGY BERHAD

(Company No.591077-X)
(Incorporated in MALAYSIA)

BOARD CHARTER

1. Purpose of this Board Charter

- 1.1. This Charter sets out the roles and responsibilities of the Board of Directors ('**Board**') of Plastrade Technology Berhad ('**PTB or the Company**') to ensure that the Board's practices are consistent with and reflect the Board's commitment to best practices as prescribed in Corporate Governance.
- 1.2. The Charter ensures that the PTB Group has appropriate corporate governance structures aimed at enhancing and protecting shareholders' value.
- 1.3. This Charter was approved by the Board of PTB on 12 April 2014 and is reviewed on an Annual Basis or whenever the Board deems appropriate to ensure it remains consistent with the Board's objectives and responsibilities.

2. Composition, Roles and Responsibilities of the Board

2.1. Composition

2.1.1. Size of the Board

In accordance with Article 80, until otherwise determined by General Meeting, the number of Directors including a Managing Director shall not be less than three (3) but not more than twelve (12). Subject to the Listing Requirements at least two (2) Directors or one third (1/3) of the Board of Directors whichever is higher, shall be Independent Non-Executive Directors.

- 2.1.2. The size and balance of the Board is determined by the Board with the assistance of a Nomination Committee ('**NC**') during its review and evaluation carried out annually. The Board of PTB is currently comprised of five Directors with an appropriate balance of:

- Two Executive Directors; and
- Three Independent Non-Executive Directors.

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The Independent Non-Executive Directors are persons of calibre, credibility and have the necessary skills, competencies, commitment and experience to bring independent judgement to bear on issues of strategy, performance and resources including key appointments and standards of conduct.

The current composition of three Independent Non-Executive Directors equate to more than 1/2 and exceeds the current 1/3 requirement for Independent Non-Executive Directors under Bursa Malaysia Securities Berhad's ACE Market Listing Requirements.

2.2 New Appointment

New appointments to the Board are only made when it is considered necessary or appropriate to the Company's requirements after consultation or recommendation from the NC.

2.3 Boardroom Diversity

Where possible, and the appropriate candidates identified, the Board shall ensure diversity in the composition of its Board members taking into consideration their gender, nationality, age, culture and socio-economic backgrounds. To meet the objectives of boardroom gender diversity as recommended under MCCG 2012, the Board has set a policy that at least one member of the Board will be of the female gender.

2.4 Separation of Duties and Authority Between Chairman and Managing Director

The MCCG 2012 recommends that the positions of Chairman and CEO should be held by different individuals, and the Chairman must be a non-executive member of the Board.

The Board of PTB has since its listing on the ACE Market of Bursa Malaysia Securities Berhad on 15 January 2004 been led by Mr Pua Kong Hoi as Chairman of the Board. Mr Pua Kong Hoi has also been the Managing Director of the Company since 29 October 2003.

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The Board is of the view taking into consideration the size and nature of the industry in which it is involved in, and the strong leadership, focus, commitment and integrity of Mr Pua which is more vital and important in moving the Group forward, the Board will continue with its current practice that Mr Pua be the Chairman and Managing Director of PTB and not adopt the recommendation of the MCCG 2012 as stated above.

To ensure that no one person dominates the Board, the Board's composition is comprised of 3 Independent Non-Executive Directors out of a Board size of 5 Directors. The number of Independent Non-Executive Director makes up more than half of the Board members, which ensures that a strong element of Independence is present.

2.5 Management

The Management and day-to-day management responsibilities is delegated to the Managing Director assisted by the Executive Director whose roles and responsibilities are set out under Section 4 of this Charter and assisted by Senior Management Executives.

2.6 Roles and Responsibilities

- 2.6.1 The powers and duties of the Directors are as set out in the Constitution and as prescribed at law.
- 2.6.2 At law, the Board of Directors under *Section 211(2)* of the Companies Act, 2016, has all the powers necessary for managing and for directing and supervising the management of the business and affairs of PTB subject to any modification, exception or limitation set out under the Companies Act, 2016, or in Constitution of PTB.
- 2.6.3 At law, the Directors are required at all times to exercise their powers for a proper purpose and in good faith, in the best interest of PTB to ensure that the business and affairs of PTB is properly managed under the direction of the Board of Directors.

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2.6.4 The Board assumes ultimate accountability and responsibility for the stewardship of PTB including those expounded under MCCG 2012 as follows:

- Reviewing and approving of corporate strategies and plans, monitoring their implementations through the annual budget and financial plans.
- Overseeing and monitoring the conduct and performance of the Company's/Group's business.
- Overseeing the process for identifying principal risks and ensuring that appropriate control systems, monitoring and reporting mechanism are in place to effectively monitor and manage these risks.
- Appointing and assessing the performance of the Managing Director, the Executive Director and overseeing succession plans for the senior management team.
- Overseeing the development and implementation of a shareholders communication policy for enhancing and protection of the reputation of the PTB Group.
- Reviewing and overseeing the adequacy and the integrity of the management information and control systems of the PTB Group.
- Ensuring that PTB adheres to high standards of ethics and corporate behaviours.

2.6.5 Matters reserved for the Board

The Board has specifically reserved the following matters for decision by the Board:

- Acquisitions of Business/Investments.
- Divestments and Disposals of Business/Investments.
- Overseas Equity Venture.
- Corporate Finance and Proposals.
- Terms of key/main agreements not within the ordinary course of business.
- Bank borrowings and finance arrangements.

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- Where any of the following involves amounts of 5% and above of the Net Tangible Asset (based on the latest Audited Financial Statement) per transaction :-
 - Acquisition and disposal of Properties and Motor Vehicles
 - Acquisition and Disposal of Fixed assets, other than Properties and Motor Vehicles
 - Disposal and write offs of current assets
 - Material expenditure other than capital expenditure not within the ordinary course of business
- Placements/withdrawal of fixed deposits with financial institutitons for amounts 10% and above of Net Tangible Asset (per day).

3. Chairman of the Board

The Chairman is primarily responsible for :

- The leadership of the board to facilitate the effective contribution of all directors at Board meetings and ensuring that no member dominates discussions and appropriate interaction amongst Board members are forthcoming.
- Representing the Board, chairing General Meeting of shareholders and ensure effective communication with shareholders and all stakeholders.
- The efficient organisation and conduct of the Board's functioning, including establishing the agenda for Board meetings and chairing Board meetings.
- Ensuring the Board's decisions have been implemented.
- Ensuring that the directors receive accurate, timely and clear information in a form and of a quality appropriate to enable it to discharge their duties. All directors are entitled to request additional information where they consider such information necessary to make informed decisions.

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- Ensuring that new directors receive a full, formal and tailored induction on joining the Board. The letter of appointment should set out the director's expected commitment of time.
- Ensuring that the directors continually update their skills, knowledge and familiarity with the Company required to fulfill their role both on the Board and on Board Committees.
- The promotion of constructive and respectful relations between directors, and between the board and management.
- Ensuring that the views of shareholders are communicated to the Board as a whole, and that governance and strategy issues are discussed with major shareholders.
- Reviewing matters of concern to the Company.

4. Managing Director

4.1 The Managing Director is appointed by the Board of Directors and is subject to the control of the Board. The Managing Director is responsible for the day to day management of the PTB Group with all powers, discretions and delegations authorised from time to time by the Board.

4.2 The Managing Director's primary responsibilities include :

- Overall responsibility over the business units and day to day management of the Group, organisational effectiveness and implementation of Board policies, strategies and decisions.
- The development (in conjunction with the Board) and implementation of short, medium and long-term corporate strategies for the Group, preparing business plans and reports with senior management and reporting/presenting to the Board on current and future initiatives.
- Providing leadership, supervision and control in managing a team of executives responsible for all functions contributing to the success of the Group.
- Ensuring that the Group has the appropriate risk management practices and policies in place.
- The assessment of business opportunities which are of potential benefits to the Group.
- Bringing material and other relevant matters to the attention of the Board in an accurate and timely manner.

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- Overseeing shareholders' communications.
- Appointing and, where appropriate, removing senior executives, including the Accounts cum Finance Manager (Chief Financial Officer designate) and the Company Secretary, with the approval of the Board.
- Evaluating the performance of senior executives.
- Ensures that the objectives and standards of performance are understood by the Management and employees.
- Ensures that the operational planning and control systems are in place.
- Monitoring performance results against plan.
- Taking remedial actions, where necessary.
- Ensures that the Group's Financial Reports are drawn up in accordance with the relevant accounting standards and complies with all requirements of Bursa Malaysia ACE Market Listing Requirements.
- Directing and monitoring all aspects of the business operations in a cost effective manner.
- Effectively oversees the human resources of the Group to ensure that key positions in the Group's management structures, including succession planning and talent retention are adequately addressed.
- Ensures the Group's corporate identity, products and services are of acceptable high standards and reflective of the market environment in which the Group operates in.
- Ensuring that accurate quality and timely information flows to the Board for establishing the agenda for Board and Committee meetings.

In discharging his responsibilities, the Managing Director can delegate and assign appropriate functions and responsibilities to the Executive Director and senior management personnel while retaining overall control and responsibility.

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5. Individual Board Members

5.1 The roles and responsibilities of Individual Board Members include:

- Strictly observe the provisions, regulations, guidelines and other relevant requirements under the Company's Constitution, the Companies Act, 2016, the ACE Market Listing Requirements, the Securities Commission and Capital Market Securities Act, 2007 and such other applicable statutes, and to maintain strict confidentiality on the use of the Company's information.
- Responsibility to inform the Board before accepting any other directorships in listed Company/subsidiaries of listed issuers.
- Attendance of Continuing Education Programme which are relevant to the Company's operations and business.
- Responsibility for oversight of the Board's Governance Structure and to ensure that the Company's procedures and practices are consistent with and reflect the Board's commitment to best practices as recommended under the MCCG 2012 and such other practices as may be prescribed by proponents of Corporate Governance.
- Review, adoption and monitoring of strategic plans/directions for the Company.
- Review and adoption of Corporate objectives of Company which includes performance appraisals, long-term and medium term goals attainment.
- Oversee the resources and operational conduct of the Company's businesses and to determine whether the businesses are being properly managed.
- Identify principal risks of the Company and to ensure the implementation of appropriate internal controls and mitigation measures.
- Succession planning for Senior Management, including the implementation of appropriate systems for recruiting, training, determining the appropriate compensation benefits and where necessary replacing any member of the Senior Management.
- Oversee the development and implementation of a shareholders' communication policy or investors' relations programme for the Company, to enable effective communication with its shareholders and stakeholders.

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- Review the adequacy and integrity of the Group’s internal control systems and information management systems which includes appropriately sound framework/systems of reporting and to ensure regulatory compliance with applicable laws, regulations, rules, directives and guidelines.

6. Board Committees

The Board delegates certain responsibilities to the various Board Committees with clearly defined terms of reference to assist the Board in discharging its responsibilities.

6.1 Audit Committee (“AC”)

The AC was established to provide assistance to the Board in relation to fulfillment of the Board’s statutory as well as fiduciary responsibilities and ensure that the internal and external audit of the PTB Group are being carried out adequately and effectively. The Audit Committee also assist the Board in identifying principal risks and ensuring the implementation of appropriate systems to manage these risks under a risk management policy framework.

The functions and responsibilities of the AC are set out in its Terms of Reference.

6.2 Nomination Committee

The Nomination Committee was established to provide assistance to the Board to oversee matters relating to the nomination of new Directors, annually review 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, the Independence of the Independent Directors as well as identify candidates to fill board vacancies, and nominating them for approval by the Board.

6.3 Remuneration Committee

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

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7. Independence of Directors

Definition under Listing Requirement

The definition of an Independent Director is as set out in Para. 1-1 of Chapter 1 of the ACE Market Requirements and further clarified and discussed under Practice Note 13 issued by Bursa.

PTB's Board does not believe that it is practically possible to list down all the criteria which are appropriate to characterise in all circumstances, the independence of a Director. It is the approach of the Board when considering a Director's Independence to critically assess their independence taking into consideration all relevant factors, including the abovesaid definition and explanations under this Section and that such assessment must be applied with common sense and the Directors themselves are best able to determine if they have an interest or relationship which is likely to impact on their independence.

Each Director is expected to advise the Chairman immediately if he/she believes they may no longer be independent. Should the Chairman or any other Director have any concern about the Independence of a Director, he/she must immediately raise the issue with that Director during a Board Meeting.

Where a Director is no longer considered independent, the information will be, be disclosed immediately by way of an announcement to Bursa Malaysia.

8. Access to Information, Independent Advice and Continuing Development

8.1 The Board and Committees have access to all information pertaining to the Company.

All Board members have direct access to the advices and services of the Company Secretary.

Board and Committee papers review and analysis of matters and issues to be considered and deliberated are furnished to all Board/Committee members at the earliest practicable time prior to meetings.

The Managing Director / Executive Director, senior management personnel and appropriate external advisers/consultants are available to brief, report and advise in meetings of the Board and Board Committees.

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8.2 Board members are entitled to request and receive any such additional information as they consider necessary to support informed decision making. Any Board member has the authority to seek any information he/she requires from any employee of the PTB Group and all employees must comply with such requests.

Any significant issues raised by a Director are to be communicated to the Chairman/Managing Director or Senior Independent Director.

8.3 Any Board member may take such independent legal, financial or other advice as they may consider necessary, at PTB's cost and expense.

Any Director seeking such independent advice must first discuss the request with the Chairman, who must then agree and approve of this course of action and will facilitate obtaining such advice and, where appropriate, disseminate the advice to all Directors.

8.4 The Board has the authority to conduct or direct any investigation required to fulfill its responsibilities and has the authority to retain at the Company's expense, such legal, accounting or other services, consultants, advisers or experts as it considers necessary from time to time in the performance of its duties.

8.5 The Board has adopted a Continuing Education Policy to ensure that Board members maintain and update their skills and knowledge necessary to meet their obligations as Directors.

The Continuing Education Policy is set out as a Separate Document and is accessible on the Company's website : www.plastrade-technology.com

9. Procedures for Appointment of Directors

The Board's procedures for appointments to the Board are viewed as a vital component of the governance process in determining the composition, size, balance competencies and ultimately the quality of the Board.

PTB has a formal and transparent procedure established for the appointment of new Directors to the Board.

The NC is responsible for reviewing, proposing and recommending potential new Directors taking into consideration the current and future needs of the Company.

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10. Quorum at Board Meetings

In accordance with Article 98, the quorum necessary for the transaction of the business of the Directors shall be two (2).

11. Induction

11.1 The objective of the induction process is to provide Directors with a rapid and clear insight into the Group as well as keeping them abreast with development in the market place pertaining to the oversight function of Directors. This will enable the Directors to discharge their duties and responsibilities effectively.

11.2 Induction of Directors may include, but not limited to, the following:

- Furnishing of a copy of the previous board minutes for at least the past six (6) months; the business/strategic plan, pertinent Management reports; profile of key competitors and significant reports by management consultants on areas of board responsibilities;
- Visits to key operational sites; and
- A formal one (1) to two (2) day induction programme, including the elements above, and also presentations from various divisions on their strengths, weaknesses and ambitions.

12. Evaluation of Board Performance

Evaluation of the Board Performance

The Board through the NC evaluates the performance of the Board as a whole, the Board Committees, the Individual Directors and the Independence of the Independent Directors on an annual basis.

The evaluation criteria and process is in accordance with the procedure that has been established, endorsed and approved by the Board following the recommendation made by the NC.

The Board evaluation process is carried out by way of peer assessment, in the form of evaluation questionnaires completed, reviewed and deliberated by the NC before its findings and recommendations tabled to the Board.

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The Evaluation process in respect of the Independence of the Independent Directors is carried out by way of peer assessment in the form of evaluation questionnaires and supported by an annual declaration by the respective Independent Director on his/her independence.

The completed evaluation questionnaires are then reviewed and deliberated by the NC before its findings and recommendations tabled to the Board for decision.

The evaluation criteria and process shall be reviewed at least once every three (3) years or as and when there are new regulatory provisions in place to ensure those criteria remain relevant and appropriate.

13. Corporate Disclosure Policy

The Board is guided and takes into consideration the Guidance set out under Bursa Malaysia Securities Berhad's Corporate Disclosure Guide issued in September 2011 in respect of Corporate Disclosures.

The Board is committed to good corporate governance and will ensure that all stakeholders are provided with comprehensive, accurate and quality information on a timely and even basis.

The Board has adopted a Corporate Disclosure Policy which takes into consideration the Guidance set out under Bursa Malaysia Securities Berhad's Corporate Disclosure Guide issued in September 2011. The Corporate Disclosure Policy is set out as a Separate Document and is accessible on the Company's website : www.plastrade-technology.com

14. Secretary

14.1 The Company Secretary will be the Secretary of the Board.

14.2 Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flows between members of the Board and the Board Committees, and between senior management and non-executive directors, as well as facilitating the induction of new directors and assisting with each director's professional development, as required.

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14.3 All directors have access to the advices and services of the Company Secretary.

15. Shareholders Communication Policy

The Board has adopted a Shareholders Communication Policy in respect of communicating with its shareholders.

The Shareholders Communication Policy is set out as a Separate Document and is accessible on the Company's website : www.plastrade-technology.com

16. Code of Ethics and Conduct

The Board has adopted a Code of Ethics and Conduct based on the Director's Code of Ethics prescribed by the Company Commission of Malaysia to enhance the standards of Corporate Governance and Behaviour as a guide for the Directors.

17. Review

17.1 The Board will review this Charter as and when the need arises to keep it current and relevant at all times.

17.2 This Board Charter was last reviewed and revised on 1st April 2017.

18. Publication/Availability

A copy of this Charter is available from the Company's website: www.plastrade-technology.com