



CORPORATE GOVERNANCE

BOARD CHARTER

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SIGNATORY PAGE

| Prepared by | Recommended by | Approved by |
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1 Introduction

- 1.1** Sedania Innovator Berhad (“Sedania Innovator” or “the Company”) was incorporated in Malaysia on 17 December 2013 under the Companies Act, 1965 as a private limited company under the name of Sedania Innovator Sdn. Bhd. It was subsequently converted to a public limited company on 22 September 2014 to serve as an investment holding company for Sedania Innovator Group of Companies (“the Group”). On 29 June 2015, the Company was listed on the ACE Market of the Bursa Securities Berhad.

1.2 Sedania Innovator’s DNA

To fully project our strengths and capability, we have our own DNA to address challenges in a consistent manner. The intention to go global is faced with massive challenges, so our business DNA which is known as Five Plus One S must be solid. These components are:

- Spirit:** to have passion and spirit in whatever we do
- Strategy:** to put intellect in mapping out a strategised plan in our endeavour
- Strength:** to identify and use our strength in execution
- Speed:** to execute the strategised plan faster than your competitor
- Stamina:** to persevere until the end, ahead of our competitors to achieve our objectives.
- Style:** to perform the first five DNAs with style

- 1.3** The Board of Directors (“Board”) of Sedania Innovator is committed to uphold the highest standards of Corporate Governance throughout the Group by applying the following principles of good governance in discharging the Board’s duties and responsibilities, and in all of the Group’s business dealings with its shareholders and relevant stakeholders:

- (a) The Board is the focal point of the Company’s Corporate Governance system. The business of the Company is managed by the Directors within the powers under the Company’s Memorandum and Articles of Association/ Constitution, the ACE Market Listing Requirements of Bursa Malaysia (“AMLR”) the Companies Act, 2016 (“the Act”) and the Malaysian Code on Corporate Governance (“MCCG”);
- (b) All Board members are expected to exercise their powers for proper purpose and in good faith in the best interest of the Company; and
- (c) This Board Charter shall constitute, and form, an integral part of each Director’s duties and responsibilities.

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2 Objectives

The objective of this Board Charter is to guide the Board of Sedania Innovator in discharging its duties and responsibilities in accordance with the provisions of the Act, the AMLR, the MCCG and any other applicable laws or regulatory requirements.

This Board Charter sets out the roles, functions, composition, operation and processes of the Board and seeks to ensure that all Board members are fully aware of their duties and responsibilities as board members. It further highlights the Principles, Practices and Guidance of the Corporate Governance that must be applied in all their dealings with and on behalf of the Company.

This Board Charter serves as a source of reference and primary induction literature to provide insights to existing and prospective Board members and Senior Managements on the matters set out in the preceding paragraph. In addition, it will assist the Board in assessing its collective performance and that of each individual Director. The Board acknowledges that the Board has full and unfettered right to carry out its duties under law and that this Charter is not intended to limit the Board's discharge of its duties in accordance with and as required by the applicable laws.

3 Composition

3.1 Composition

3.1.1 The Board shall comprise not less than two (2) or more than nine (9) Directors.

3.1.2 The Board shall at all times comprise of Directors in the following proportions:

- a) At least two (2) Directors or one-third (1/3) of the Boards, whichever is the higher, are Independent Directors in accordance with the AMLR; and/or
- b) Such other Directors as may be appointed through the Company's Nomination Committee ("NC").

3.1.3 In the event of any vacancy in the Board, resulting in non-compliance with paragraph 3.1.2(a) above, Sedania Innovator must fill the vacancy within 3 months.

3.1.4 The Board is guided by the approved terms of reference of NC for recruitment or appointment (including re-election/re-appointment) of Directors.

3.1.5 Directors shall not sit on the boards of more than five (5) listed issuers and shall inform the Board's Chairman before accepting any new directorship.

3.2 Independence

3.2.1 "Independent Director" ("ID") is defined in accordance with Rule 1.01 of the AMLR.

3.2.2 An ID shall, upon his appointment, gives the Company a letter of confirmation that he is an Independent Director as defined under Rule 1.01 of the AMLR.

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3.2.3 Directors must give effect to the spirit, intention and purpose of the said definition of “independence” set out in Rule 1.01 of the AMLR.

3.2.4 According to Practice 4.2 of the MCCG, the tenure of an ID shall not exceed a cumulative term limit of nine (9) years since appointment as ID. The ID may continue to serve on the Board beyond the nine (9)-year tenure provided the ID is re-designated as a Non-ID. In the event the Director was to remain designated as an ID beyond the nine (9)-year tenure, it must justify and seek annual shareholders’ approval.

3.2.5 In the event the Board wishes to continue to retain an ID after the twelfth (12th) year, it must justify and seek annual shareholders’ approval through a two-tier voting process.

3.3 Disqualification or Vacation of Office

3.3.1 The office of a Director shall be ipso facto vacated if :

- a) he becomes bankrupt or makes any arrangement or composition with his creditors during his term of office;
- b) he is convicted of any seizable offence;
- c) he becomes prohibited by law from acting as a Director;
- d) he is found to be insane or becomes of unsound mind or becomes a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder during his term of office;
- e) he resigns from office by notice in writing given to the Company;
- f) he is removed from office pursuant to the provisions of Article 99 of the Company’s Articles of Association;
- g) he is absent from Board meetings for a period of more than six (6) months without special leave of absence from the other Directors and such Directors have passed a resolution that he has by reason of such absence vacated his office;
- h) is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare the nature of his interest in manner required by Section 221 of the Act; or
- i) is removed by a resolution of the Company in general meeting and in the case of an alternate or substitute Director by a resolution of the Directors.

3.3.2 A Director will also vacate office should he be absent from more than 50% of the total board of directors’ meetings held during a financial year unless waiver is obtained from Bursa Malaysia Securities Berhad.

3.4 Retirement, Re-election and Re-appointment

3.4.1 An election of Directors shall take place at each annual general meeting of the Company where one third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) with minimum of one (1), shall retire from office and be eligible for re-election. Each Director shall retire from office once at least in every three (3) years but shall be eligible for re-election. A Director retiring at a meeting shall retain office until the close of the meeting.

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3.4.2 The Directors to retire in each year shall be those who have been longest in office since their last election or appointment but as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

3.4.3 Sedania Innovator adopted a nine (9)-year policy for ID and taking into account the need for progressive refreshing of the Board.

- a) Whilst an ID may continue to serve on the Board, upon completion of a cumulative term of nine (9) years, he is subject to the Director's re-designation as a non-ID [Paragraph 3.2.3]; and
- b) In order for the Board to justify and seek shareholders' approval for retaining a person who has served in that capacity for more than nine (9) years, as an ID, the NC/ Board must conduct a rigorous review to determine whether the Director's independence has been impaired, taking into account the need for progressive refreshing of the Board.

4 Roles and Responsibilities of the Board

4.1 Directors shall at all times exercise his powers for a proper purpose and in good faith in the best interest of the Company.

4.2 In line with the Principles, Practices and Guidance of the MCCG, the Board of Directors has the following responsibilities:-

- (i) Together with the senior management, promote good corporate governance culture within the Company which reinforce ethical, prudent and professional behavior;
- (ii) Review, challenge and decide on management's proposals for the Company and monitor its implementation by Management;
- (iii) Review and approve strategic initiatives/ plan including corporate business restructuring or streamlining and strategic alliances to ensure that they supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- (iv) Supervise and assess management performance and oversee the conduct of the Group's businesses to evaluate whether the businesses are being properly managed;
- (v) Understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks;
- (vi) Set the risk appetite within which the Board expects management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- (vii) 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;
- (viii) Approve the nomination, selection, succession policies, and remuneration packages for the Board members, Board Committee members and Chief Executive Officer ("CEO"), and the annual manpower budget for the Group, including managing succession planning, appointing, training, fixing the compensation of, and where appropriate replacing senior management or key management personnel;
- (ix) Approve the appointment, resignation or removal of Company Secretaries of the Company;
- (x) Develop and implement an investor relations programme or shareholder communications policy for the Group to ensure effective communication with stakeholders;

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- (xi) Review the adequacy and integrity of the Group's internal control systems and risk management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines (including the securities laws, Act and AMLR);
- (xii) Review and approve the Financial Statements encompassing annual audited accounts and reports, dividend policy, credit facilities from financial institution and guarantees;
- (xiii) Review and approve the Audit Committee Report and Statement on Risk Management and Internal Control for the Annual Report;
- (xiv) Prepare a Corporate Governance Statement/ Report in compliance with the MCCG for the Annual Report;
- (xv) Approved the appointment of external auditors and their remuneration;
- (xvi) In addition to the above matters, the Board shall not, pass any resolution or take any action with respect to any matter specified below unless a resolution in writing in respect of matters which circulated to all of the Directors and signed by a majority of the Directors for the time being entitled to receive notice of a meeting of the Directors:-
 - a) recommendation to the general meeting of any dividend payment or other distribution or capitalization of any profits or reserves of the Company;
 - b) the approval of the annual budget and business plans of the Company, including any amendments to these budget and plans;
 - c) calls for capital contribution from the shareholders;
 - d) of the Company's lien for forfeiture rights in respect of any shares under the Articles of Association;
 - e) approval of Annual Report to be submitted to the general meeting;
 - f) approval of any transaction outside the ordinary course of business of the Company;
 - g) long term agreements covering a period of more than one (1) year;
 - h) the entry into of any contract, agreement or arrangement above RM200,000.00;
 - i) the sale, transfer or disposal of any undertakings, properties or assets including Intellectual Property Rights above RM200,000.00;
 - j) the purchase, acquisition or lease of any assets or properties above RM200,000.00;
 - k) the commencement or defence or settlement of any litigation or arbitration;
 - l) approval of any capital expenditure in excess of RM200,000.00 per financial year which is not provided for in the annual business plan or annual budget of the Company, as the case may be;
 - m) approval of the dividend policy for the Company and any changes to be made to such policy;
 - n) the declaration and payment of any interim dividend;
 - o) the appointment and removal of Chairman, Managing Director and Chief Executive Officer, or equivalent positions of the Company;
 - p) the entry into of any transactions, arrangements or agreements with any Shareholder or director or any person connected with such Shareholder or director or the entry into any transactions, arrangements or agreements in which any Shareholder or director or person connected with such Shareholder or director has an interest;
 - q) the lending of monies to any person or granting of any guarantees, indemnities or any securities to secure the liabilities or obligations of any person above RM200,000.00;
 - r) the acceptance of borrowings and / or credit facilities;
 - s) the implementation of any new or additional management or employees share option scheme or share incentive plan or scheme or employee performance scheme or the revision of any such plan or scheme;

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- t) any material change in the Company's accounting or reporting practices which would deviate from the generally accepted accounting practices and Listing Requirements of Bursa Malaysia in Malaysia unless such change is to the extent mandatorily required by law;
- u) save as is otherwise provided herein, any matter involving the Company with
 - (i) any Director or with another firm, company or corporation in which any Director is interested as a proprietor, partner, director or other officer or creditor of or a shareholder (with a shareholding interest of 20% or more) in, except as a shareholder of a public company or a public corporation whose shares are listed on a stock exchange; or
 - (ii) any Shareholder or
 - (iii) a corporation related (within the meaning of Section 7 of the Companies Act 2016) to the Company or to any of the Shareholders;
- v) Change of the financial year end of the Company;
- w) Approval of financial statements together with directors' and auditors' reports;
- x) Development of policy for remuneration of Senior Management and (the criteria thereof shall be determined by the Board) and accounting policy;
- y) Grant of powers of attorney by the Company other than to banks or financial institutions;
- z) the creation of any encumbrance, debentures, fixed or floating charges over any of the Company's assets, undertaking and/or properties other than for financing purpose;
- aa) Allotment or issue of the Company's shares;
- bb) Transfer of the Company's shares;
- cc) Establishing of any joint venture or merger; and
- dd) Change of Terms of Reference of Board Committees.

4.3 The Directors have individual and independent access to the advice and dedicated support services of the Company Secretary in ensuring the effective functioning of the Board. The Directors may seek advice from the management on issues under their respective purview. The Directors may also interact directly with, or request further explanation, information or updates, on any aspect of the Company's operations or business concerns from the management.

In addition, the Board may seek independent professional advice at the Company's expense on specific issues to enable the Board to discharge its duties in relation to the matters being deliberated. Individual Directors may also obtain independent professional or other advice in furtherance of their duties, subject to approval by the Chairman or the Board, depending on the quantum of the fees involved.

5 Senior Independent Non-Executive Director

- 5.1** The Board approved the appointment of a Senior Independent Non-Executive Director ("SID") to act as an additional safeguard and to serve as a fallback point of contact for investors and shareholders when the normal channel of communication is considered to be inappropriate or inadequate.
- 5.2** The SID shall be nominated from amongst the Independent Non-Executive Directors, but exclude the Audit Committee Chairman, who is an ID of the Company.

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5.3 The Nominating Committee shall make its recommendation to the Board for approval of the proposed appointment of the SID for a term of one (1) year or such other terms as may be determined by the Board.

5.4 The SID shall have specific responsibilities which include, to:-

- a) Serve as a designated contact for consultation and direct communication with shareholders on areas that cannot be resolved through normal channels of contact with the Chairman or CEO;
- b) Serve as the principal conduit between the Independent Directors and the Chairman on sensitive issues;
- c) Lead the succession planning and appointment of Board members, including the future Chairman and CEO;
- d) Lead the annual review of Board effectiveness, ensuring that the performance of each individual director is independently assessed;
- e) Receive report(s) made by employees or external parties for the purpose of whistleblowing in the form as prescribed under the Whistleblowing Policy of Sedania Innovator Group, and thereafter submit the same to the Audit and Risk Management Committee Chairman with an opinion as to whether the report is frivolous or vexatious based on alleged facts;
- f) Ensure all Independent Directors have the opportunity to provide input on the agenda, and advise the Chairman on the quality, quantity and timeliness of the information submitted by management that is necessary or appropriate for the Independent Directors to perform their duties effectively;
- g) Consult with the Chairman regarding Board meeting schedules to ensure Independent Directors can perform their duties responsibly and with sufficient time for discussion of all agenda items; and
- h) Chair meetings of the Board or Non-Executive Directors ("NEDs"), in the absence of the Board Chairman or his abstention.

6 Chairman of the Board

6.1 The Chairman leads the Board with a keen focus on governance and compliance. His roles/responsibilities include, inter alia:

- a) to provide leadership to the Board and oversee the Board in the effective discharge of its fiduciary duties;
- b) to set the Board agenda and to ensure the Board members receive complete and accurate information in a timely manner;
- c) to lead in discussion in Meetings and ensure efficient and effective conduct of the Board's Meetings;
- d) to encourage active participation and to allow dissenting views to be freely expressed;
- e) to promote constructive and respectful relations between Board Members and manage the interface between the Board and Management;
- f) to facilitate effective communication between the Board and the stakeholders; and
- g) to commit time necessary to discharge effectively his role as Chairman.

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7 Separation of Functions between the Chairman and Chief Executive Officer (CEO)

- 7.1** The roles of the Chairman and CEO of Sedania Innovator are distinct. The distinct and separate roles of the Chairman and CEO, with a clear division of responsibilities, ensures a balance of power and authority, such that no one individual has unfettered powers of decision-making.
- 7.2** The CEO spearheads the business and day-to-day management of the Company and the primary job tasks for the CEO are as follows:
- a) Strategy development, monitoring and tracking;
 - b) Business development;
 - c) Regulation;
 - d) Performance management;
 - e) Human resources management;
 - f) Risk management; and
 - g) Stakeholder management.

8 Company Secretary(ies)

- 8.1** The appointment and removal of the Company Secretary(ies) is a matter for the Board, as a whole. The Company Secretary(ies) shall be suitably qualified and capable of carrying out the duties required of the post.
- 8.2** The Company Secretary(ies) is expected to provide unimpeded advice and services to the Directors, as and when the need arises, to enhance the effective functioning of the Board and to expedite regulatory compliance.
- 8.3** The roles and responsibilities of the Company Secretary(ies) include the following:-
- (a) manage all Board and Board Committee meeting logistics, attend and record minutes of all Board and Board 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;
 - (g) serve as focal point for stakeholders' communication and engagement on corporate governance issues; and
 - (h) carrying out other functions as deemed appropriate by the Board from time to time.

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9 Remuneration

- 9.1** The fees and any benefits payable to the Directors shall from time to time be determined by an Ordinary Resolution of the Company in a general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree.
- 9.2** The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending board meetings of the Company.
- 9.3** The Board has established a formal and transparent process for approving the remuneration of the NEDs and the Executive Director/CEO, whereby the Remuneration Committee ("RC") is responsible for reviewing the remuneration policy and making recommendations on the same to the Board for approval. In its review, the RC considers various factors including the NEDs' fiduciary duties, time commitments expected of them and the Company's performance.
- 9.4** The review of the Directors' remuneration will be carried out by the RC on an annual basis for the approval of the Board prior to recommending the same for shareholders' approval at the annual general meeting of Sedania Innovator.

10 Meetings

- 10.1** The Board shall conduct at least four (4) scheduled meetings a year, with additional meetings convened as and when the Board's approval and guidance is required. Additional meetings are convened on an ad-hoc basis.
- The Board's annual meeting calendar is prepared and circulated to the Directors before the beginning of each year. It provides the scheduled dates for meetings of the Board and Board Committees, annual general meeting, major conferences hosted by the Company, as well as the closed period for dealings in securities by Directors based on the targeted date of announcement of quarterly results of the Group.
- 10.2** Upon consultation with the Chairman and the CEO, due notice shall be given for the proposed dates of meetings during the financial year and standard agenda matters to be tabled to the Board.
- 10.3** The quorum for Board meetings shall be two (2) Directors.
- 10.4** All Board of Directors' meetings shall be chaired by a 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 the majority of members present must be NED. In the absence of a meeting, issues shall be resolved by way of circular resolutions.
- 10.5** The Directors may also hold a meeting of Directors at two (2) or more venues within or outside Malaysia using technology that enables all the Directors to hear one another and to participate in the proceedings of the meeting for its entire duration. Any meeting held in such manner shall be deemed to have been held at such time and place as set out in the notice of meeting and all

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Directors participating in the proceedings of the meeting held in such manner shall form the quorum. All information and documents for the meeting must be made available to all Directors prior to or at the meeting.

- 10.6** A set of Board Papers (together with a detailed agenda in the case of a meeting) is furnished to the Board members at least five (5) business days prior to each Board meeting or in the case of a decision by way of Directors' Circular Resolution, accompanying the proposed resolution, to ensure Directors are well informed and have the opportunity to seek additional information, and are able to obtain further clarification, advice and services from the general counsel, internal auditor and Company Secretary, should such a need arise. Where necessary, the services of other Senior Management or external consultants will be arranged to brief and help the Directors to clear any doubt or concern.
- 10.7** At Board meetings, the management presents the papers and consultants may be invited to provide further insight.
- 10.8** The Chairman encourages constructive, healthy debate, and Directors are given the chance to freely express their views or share information with their peers in the course of deliberation as a participative Board.
- 10.9** At the meeting, the Board may consider amongst other things:
- (i) Report of meetings of all committees of the Board including matters requiring the full Board's deliberation and approval;
 - (ii) Performance report of the Group, which include information on financial, industry and strategic business issues and updates;
 - (iii) Major operational, financial, technical, legal and regulatory issues;
 - (iv) Technological development and updates;
 - (v) Reports on risk management;
 - (vi) Reports on human capital, organisational and talent management; and
 - (vii) Board Papers on other matters of discussion/approval.
- 10.10** Additionally, the Board is furnished with ad-hoc reports to ensure that it is appraised of key business, financial, operational, corporate, legal, regulatory, and industry matters, as and when the need arises.
- 10.11** The Board has unrestricted and immediate access to Senior Management and all information on the affairs of the Group. At the request of the Board, Management is obliged to supply in a timely manner, all relevant information relating to the business, operations and governance of the Group, including information concerning customer satisfaction and survey quality, market share and market reaction to enable the Board to discharge its duties effectively.
- 10.12** Members of the Board may collectively or individually seek external or independent professional advice and/or assistance from relevant experts in furtherance of their duties and at the Group's expense.
- 10.13** Any Director who has a direct or deemed interest in the subject matter to be deliberated abstains from deliberation and voting on the same during the meeting.

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- 10.14** The Minutes prepared by the Company Secretary shall accurately reflect the deliberations and decisions of the Board, including whether any director abstained from voting or deliberating on a particular matter and shall be kept in the statutory minutes book at the registered office of the Company.

11 Board Effectiveness Evaluation (BEE)

- 11.1** The Board has entrusted the NC with the responsibility for carrying out the annual BEE.
- 11.2** The Directors' Self and Peer Assessment evaluation is intended to evaluate the mix of skills, experience and other relevant qualities the Directors bring to the Board, and takes into account the individual director's ability to exercise independent judgement at all times and to contribute to the effective functioning of the Board. The evaluation process also examines the ability of each Board or Committee member to give material input at meetings and to demonstrate a high level of professionalism and integrity in the decision-making process.
- 11.3** The NC shall engage an external consultant to conduct BEE exercise once every three (3) years to facilitate an objective and candid board evaluation.
- 11.4** The evaluation and assessment results form the basis of the NC's recommendation to the Board for the re-election and/or re-appointment of Directors and Board Committee members as well as for further development of the Board and Board Committees.

12 Dealing in Securities

- 12.1** The Company Directors are guided by Chapter 14 of AMLR on the process and requirements when dealing in the securities of the Company.
- 12.2** A Director must not deal in the securities of Sedania Innovator as long as he is in possession of price-sensitive information relating to such listed securities. "*Price-sensitive information*" means information that "*on becoming generally available would or would tend to have a material effect on the price or value of securities*" as referred to in section 185 of the Capital Markets & Services Act, 2007.

13 Conflict of Interest and Transaction involving Directors

- 13.1** Sedania Innovator has in place guidelines for handling conflict of interest under the Company's "*Code of Conduct & Business Ethics*" to manage situation where conflict of interest on the part of the Directors may arise.
- 13.2** Conflict arising from the interest (direct or indirect) of a director, member or major shareholder or person connected with such director, member or major shareholder in a transaction proposed to be entered into or action/ decision to be taken by Sedania Innovator or its subsidiaries.
- 13.3** Where a Director has an interest (direct or indirect) in a transaction proposed to be entered into or action/decision to be taken by Sedania Innovator or its subsidiaries, he/she may be biased in making the commercial or regulatory decision which could be to the detriment of Sedania

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Innovator or its subsidiaries.

- 13.4** Directors can be regarded as having a conflict of interest where the Company, he or she is associated with derives an advantage from him being a Director. Therefore a director is required at all times to declare such conflict and if so required by the Board, to withdraw from any voting or deliberation of a matter in which the Director or member may have an interest.
- 13.5** The Act provides that a Director who is in any way, whether directly or indirectly, interested in a contract entered into or proposed to be entered into by the Company shall be counted only to make the quorum at the board meeting but shall not participate in any discussion while the contract or proposed contract is being considered at the board meeting and shall not vote on the contract or proposed contract.
- 13.6** Where a contract or proposed contract is entered into in contravention of Section 221 of the Act, the contract or proposed contract shall be voidable at the instance of the Company except if it is in favour of any person dealing with the Company for a valuable consideration and without any actual notice of the contravention. A director who knowingly contravenes Section 221 of the Act shall be guilty of an offence against the Act.
- 13.7** The AMLR further provides that a Director with any interest, direct or indirect, must abstain from board deliberation and voting on the relevant resolution in respect of the related party transaction.

14 Code of Ethics & Business Ethics

- 14.1** The Directors are to maintain the highest degree of integrity and professionalism while at the same time promoting transparency and accountability in their actions.
- 14.2** Sedania Innovator has in place “*Code of Conduct & Business Ethics*” which is formulated to enhance the standard of corporate governance and behaviour through:
- Establishing standards of ethical conduct for Directors based on acceptable beliefs and values;
 - Upholding the spirit of social responsibility and accountability in line with the legislations, regulations and guidelines governing Sedania Innovator; and
 - Document and emphasizing to the Directors, the integral obligation of each Director in performing his/her duty, to act in a manner that is lawful, honest, ethical and free from any conflict of interest or perceived conflict of interest.

The document is available on the Company's website at www.sedaniainnovator.com.

15 Whistleblowing Policy

- 15.1** “Whistleblowing” is defined as “the deliberate, voluntary disclosure or reporting of individual or organisational malpractice by a person who has or had privileged access to data, events or information about an actual, suspected or anticipated improper conduct within the organisation or by an organisation that is within its ability to control”.
- 15.2** Sedania Innovator has in place “*Whistleblowing Policy*” to manage improper conduct on the part of

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the Directors, if any. This policy covers areas from lodging of reports to investigation and corrective actions that are required to be taken.

15.3 Director's improper conduct is generally described as any conduct by a Director which if proved constitutes a criminal offence or any conduct that constitutes a wrongdoing or malpractice and may include any of the following:

- a) The breach of any law, regulation or rule that is applicable to the Company. For example, a breach of insider trading laws;
- b) Any criminal act, including criminal breach of trust, extortion and sabotage;
- c) Any act that is likely to cause significant financial loss or costs to the Company including any intentional misrepresentation of the Company's financial statements;
- d) Any other action that would cause significant harm to the Company or to any person(s);
- e) The deliberate concealment of information concerning any of the matters listed above.

15.4 The Board has overall responsibility for this policy and shall oversee the implementation of this policy.

16 Board Committees

16.1 To assist the Board in fulfilling its duties and responsibilities, it has established the following Board Committees with specific terms of reference:

- a) Audit and Risk Management Committee
- b) Nomination Committee
- c) Remuneration Committee

Independent and NED play a leading role in these Committees. The Management and third parties are co-opted to the Committees as and when required. Details of the membership and a summary of the duties and responsibilities of each Committee appointed by the Board are published in the Annual Report. 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 Meeting.

The full terms of references of the Board Committees are accessible on the Company's website: www.sedaniainnovator.com.

17 Review

17.1 The Board Charter has been adopted by the Board on 10 April 2015 and reviewed on 30 November 2018. Any subsequent amendment to the Charter must be approved by the Board.

17.2 The Board Charter will be 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.