CHOO BEE METAL INDUSTRIES BERHAD

BOARD

CHARTER

Revision No: 12

Approved by the Board : 18 November 2026

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1. INTRODUCTION

This Board Charter sets out the roles and responsibilities, composition and the functions of the Board of Directors ("the Board") of Choo Bee Metal Industries Berhad ("the Company" or "CBM") with the aim of enhancing corporate governance practices towards accountability, transparency, sustainability and business integrity.

This Board Charter is established pursuant to the provisions of the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements ("MMLRs") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Malaysian Code on Corporate Governance ("MCCG") 2021 and any other applicable law or regulatory requirements.

The purpose of this Board Charter is to promote the highest standards of corporate governance within the Company and its subsidiaries ("the Group") and to provide greater clarity on the authority, roles, responsibilities and governance framework of the Board.

2. CORPORATE VISION AND MISSION STATEMENT

The capital and resources of the Group will be allocated to those assets and activities which will enable it to achieve its goals in a manner best serving the interest of the shareholders and other stakeholders.

2.1 Our Vision

The Board is committed to achieving the Group's vision which is to become one of the nation's premier manufacturer, supplier and service center of steel products.

2.2 Our Mission Statement

The Group aims to meet and exceed customers' needs through sustainable and effective business strategies, built on integrity and continuous improvement to internal processes and operations.

3. PURPOSE OF THE BOARD

3.1 The purpose of the Board is to ensure that the highest standard of corporate governance is practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance long term sustainable value creation which is aligned to the aim of realising potential for the Group's shareholders and other stakeholders.

3.2 The Board has the primary responsibility for the governance and management of the Group ("Management") and a fiduciary obligation to act in the interests of the financial and organisational health of the Group.

3.3 The Board has established the Nomination and Remuneration Committee ("NRC") and Audit and Risk Management Committee ("ARMC") (herein referred to as "Board Committees") and Executive Committee ("Exco"), each with their respective Terms of Reference, and delegated certain functions to them to assist the Board in discharging its responsibilities to the Group.

3. While the Board may appropriately delegate authority to the Board Committees or the Exco , it should not absolve the Board of its ultimate responsibility. The Board shall at all times exercise collective oversight of the Board Committees and Exco and shall not delegate matters to an extent that would significantly hinder or impair its ability to effectively discharge its functions.

3.5 The Board Committees shall report to the Board with their recommendations. The ultimate responsibility for decision-making lies with the Board.

3.6 The Board oversees the Group's sustainability governance and is ultimately responsible for its strategic direction on sustainability. The Board is supported by the ARMC in overseeing and reviewing sustainability matters. The Sustainability Working Group ("SWG"), led by an Executive Director, drives the implementation of sustainability initiatives across the Group. The Executive Director reports to Exco on the implementation and progress of sustainability initiatives, and presents sustainability matters to the ARMC for review and recommendation to the Board for approval, where applicable.

4. BOARD STRUCTURE AND COMPOSITION

4.1 The Board shall strive to achieve an optimum balance and dynamic mix of competencies and diverse skill sets amongst its Board members. The Board shall ensure that its composition reflects a diversity of backgrounds, skills, experience and knowledge in the areas of business, economics, finance, legal, general management and strategy as may be required to facilitate the decision making of the Group so as to meet its objectives and strategic goals.

4.2 The Constitution of the Company provides for a minimum of two (2) directors and a maximum of 12 directors.

4.3 The composition of the Board shall have at least:-
(a) 2 Directors or 1/3 of the Board, whichever is higher, who are Independent Directors; and
(b) 1 woman Director.

If the number of Directors is not 3 or a multiple of 3, then the number nearest 1/3 must be used. In the event of any vacancy in the Board, resulting in non-compliance with the above, the vacancy must be filled within three (3) months.

4.4 There shall be a formal, rigorous and transparent process adopted for the appointment and re-appointment of Directors. The candidate selection should be guided by clear criteria as required under the MMLRs and MCCG 2021. The Board shall use a variety of approaches and sources to ensure it is able to identify the most suitable candidates for Board position.

4.5 The appointment and re-appointment of Directors is a critical aspect of the corporate governance, which has an impact on the leadership of companies. As such, shareholders shall have the information they require to make an informed decision on these appointments. The information shall be included in the notes accompanying the notice of the annual general meeting ("AGM").

4.6 An election of Directors shall take place each year at the AGM of the Company. All Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election.

4.7 Any new Director appointed during the year shall hold office until the next AGM of the Company and shall be eligible for re-election.

4.8 On gender boardroom diversity, the Board through the NRC shall review the proportion of the female to male Board members taking into consideration the appropriate skills, experience and characteristics required of the Board members, in the context of the needs of the Group and the recommendation of the MCCG 2021 that the Board should comprise at least 30% women directors.

The Board through the NRC would ensure woman candidates are sought as part of its recruitment exercise as and when there is vacancy, as well as when suitable and qualified candidates are identified. The Board shall disclose in its Annual Report the Company's Diversity Policy for the Board and Senior Management (which includes gender diversity requirement). The Board, through the NRC, shall monitor the scope and applicability of this policy, from time to time on the progress of achieving the objectives.

4.9 The Board, through the NRC, shall review the size, composition and effectiveness of the Board and the Board Committees on a periodic basis to ensure that members of the Board possess the relevant knowledge, skills, qualifications, competencies, functional and management experience, characteristics and mindset to contribute effectively to the Board and to ensure an appropriate balance of skills, experience, qualifications and diversity.

4.10 The office of a Director shall become vacant if the Director:

(a) resigns his office by notice in writing given to the Company and deposited at the Office;

(b) retired in accordance with the Act or the Company's Constitution and is not re-elected;

(c) is removed from office of Director by resolution of the Company in general meeting of which special notice has been given in accordance with the Act or the Company's Constitution;

(d) becomes disqualified from being a Director under Section 198 or 199 of the Act;

(e) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;

(f) becomes bankrupt;

(g) dies; or

(h) is absent from more than fifty per centum (50%) of the total Board of Directors' meetings held during a financial year save and except in circumstances where Bursa Securities has granted a waiver or exemption to such Director from complying with this requirement. A Director shall be deemed to be present at a Directors' Meeting if his attendance is by tele-conferencing or video-conferencing or such other electronic means.

5. INDEPENDENT DIRECTOR

5.1 An Independent Director means a Director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company. Without limiting the generality of the foregoing, an Independent Director is one who:-

(a) is not an Executive Director of the Company or any related corporation of the Company (each corporation is referred to as "said Corporation");

(b) is not, and has not been within the last 3 years, an officer of the said Corporation. For this purpose, "officer" has the meaning given in Section 2 of the Companies Act but excludes an Independent Director who has served for a cumulative period of less than 12 years;

(c) is not a major shareholder of the said Corporation;

(d) is not a family member of any Executive Director, officer or major shareholder of the said Corporation;

(e) is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;

(f) has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Securities, or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by Bursa Securities; or

(g) has not engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities, or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities.

5.2 Pursuant to the MCCG 2021, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as Non-independent Director. If the Board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

5.3 The tenure of an Independent Director shall not be more than twelve (12) years from the date of his appointment according to MMLR. Upon completion of the twelve (12) years, an Independent Director shall resign or be re-designated as a Non-Independent Director.

5.4 The Board shall undertake an assessment of the Independent Directors annually to assess their ability to bring unbiased and objective judgement to the Board's deliberations.

5.5 Where required, the Board shall appoint a Senior Independent Director ("SID") to perform the following roles:

- acting as a sounding board for the Chairman;
- serving as an intermediary for other Directors, where necessary; and
- acting as a point of contact for shareholders and other stakeholders.

6. ROLES AND RESPONSIBILITIES

6.1 Board of Directors

The Board's role is to govern and set the strategic direction of the Group, ensuring that the necessary resources are in place for the Group to meet its objectives and review Management's performance. The Board should set the Group's values and standards, and ensures that its obligations to its shareholders and other stakeholders are understood and met. The responsibility of the Board is to also exercise its powers for a proper purpose and in good faith in the best interest of the Group, its shareholders and other stakeholders.

In line with the MCCG 2021, the Board assumes the following principal responsibilities:

(a) maintain oversight of the Board Committees and deliberate on matters and recommendations submitted by Board Committees, particularly those reserved for the Board's consideration and approval;

(b) together with the Management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;

(c) review, challenge and decide on Management's proposals for the company, and monitor their implementation by management;

(d) ensure that the strategic plan of the Group supports long-term value creation and includes strategies on economic environment and social considerations underpinning sustainability;

(e) supervise and assess Management performance to determine whether the business is being properly managed;

(f) ensure there is a sound framework for internal controls and risk management;

(g) understand the principal risks of the Group's business and recognize that business decisions involve the taking of appropriate risks;

(h) 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;

(i) 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;

(j) ensure that the Group has in place procedures to enable effective communication with stakeholders;

(k) ensure that all the Directors are able to understand financial statements and form a view on the information presented; and

(l) ensure the integrity of the Group's financial and non-financial reporting.

The following are the matters reserved for collective decision of the Board and may vary from time to time as determined by the Board:

Strategic and Operational

(a) Business strategy/plan, performance targets, annual budget (including capital expenditure budget) and any changes thereof.

(b) Investment or divestment in a company, business, property, undertaking or capital project which represents a significant diversification from the existing business activities.

(c) Major changes in the business activities and any other significant business decision of the Group.

(d) Treasury policies and bank mandate.

(e) Related Party Transactions.

(f) Implementation of key policies, corporate governance policies and practices.

(g) Governance of sustainability in the Group including setting the Group's strategies, priorities and targets.

Financial

(a) Interim and annual financial statements and release of the said financial announcements.

(b) Directors' Report and Statutory Accounts.

(c) Interim dividends, recommendation of final dividends and making of any other distribution.

(d) Financing facilities and banking arrangements including changes to authorised signatories and approval limit.

(e) Adoption of accounting policies.

Conduct of the Board

(a) Appointment and recommendation for removal of Directors and Chairman.

(b) Appointment and removal of Company Secretaries.

(c) Establishment of Board Committees and appointment/changes of Board Committees' members.

(d) Terms of reference of Board Committees and amendments thereto.

Remuneration and Succession Planning

(a) Remuneration policy and policies for the Board of Directors and Senior Management.

(b) Succession planning for the Board of Directors and Senior Management.

Sustainability Governance

(a) Oversee the Group's sustainability governance and strategic direction on sustainability.

(b) Review and approve the Group's sustainability governance structure, upon review and recommendation by the ARMC.

(c) Review the effectiveness of the Group's sustainability governance and recommend improvements where necessary.

(d) Assess the Board's sustainability related competencies annually to strengthen its oversight of sustainability matters.

(e) Consider and approve the appointment of external consultants for sustainability reporting and related matters, including the fee for such services, upon the recommendation of the ARMC.

Other Matters

(a) The granting of powers of attorney by the Company.

(b) The entering into of any indemnities or guarantees.

(c) Recommendation for alteration of the Company's Constitution.

(d) Change of registered office and name of the Company.

(e) Recommendation for purchase of own shares by the Company.

(f) Issue of any debt instruments.

(g) Approve the threshold for legal case disclosure recommended by ARMC.

(h) Scheme of reconstruction or restructuring.

(i) Any other matters requiring the convening of a general meeting of shareholders or any class of shareholders.

(j) Any other matters as may be required by the laws or the governing authorities.

6.2 Directors

6.2.1 A Director shall at all times exercise his powers for a proper purpose and in good faith in the best interests of the Company and shall act honestly and use reasonable care, skill and diligence in the discharge of the duties of his office and shall not make use of any information acquired by virtue of his position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company.

6.2.2 A Director shall at all times avoid conflict of interest, and shall as soon as practicable after the relevant facts have come to his knowledge, declare the nature of his interest at the Board meeting. Every Director shall give notice to the Company of such events and matters relating to him as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Act.

6.2.3 All Directors shall ensure that the minutes of the meeting accurately reflect the deliberations and decisions of the Board, including any dissenting views and if any Director has abstained from voting or deliberating on a particular matter.

6.2.4 Each Director shall not hold more than five (5) directorships in listed companies or such other limit as prescribed by the MMLRs.

6.3 Non-Executive Directors

6.3.1 A Non-Executive Director is a member of the Board of Directors who is of calibre, credibility and has the necessary skills and experience to bring an independent judgement to bear on the issues of strategy, performance and resources, including key appointments and standard of conduct.

6.3.2 The responsibilities of Non-Executive Directors include the following:

(a) Make an independent assessment of the information, reports or statements, having regard to the directors' knowledge, experience and competency, to provide an independent view and demonstrate objectivity in reviewing and challenging the Management's proposal at meetings;

(b) Act as a channel of communication between the Management, shareholders and other stakeholders, and provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied; and

(c) Commit to their responsibility to the Company, including exercise of their fiduciary and leadership roles.

6.3.3 Where the CEO or Executive Directors form part of the Board, the Non-Executive Directors are encouraged to meet among themselves at least annually to discuss among others strategic, governance and operational issues.

6.4 Independent Non-Executive Directors

6.4.1 An independent Non-Executive Directors is a member of the Board of Directors who does not have a material or pecuniary relationship with the Company or related persons, and whose role is to provide independent oversight and constructive challenge to the Executive Directors.

6.4.2 The responsibilities of Independent Non-Executive Directors include the following:

(a) Provide independent and objective views, advice and judgment to ensure that the interests of the Group, shareholders and stakeholders are well taken into account;

(b) Bring impartiality and scrutiny to Board deliberations and decision-making, and also serve to stimulate and challenge the Management in an objective manner; and

(c) Constructively challenge and contribute to the development of the business strategies and direction of the Group.

6.5 Chairman

6.5.1 The Chairman of the Board ("the Chairman") is primarily responsible for instilling good corporate governance practices, leadership and effectiveness of the Board.

6.5.2 The Chairman shall not be member of the ARMC or NRC.

6.5.3 The key responsibilities of the Chairman include:

(a) Providing leadership for the Board so that the Board can perform its responsibilities effectively;

(b) Leading the Board in the adoption and implementation of good governance practices in the company;

(c) Setting the Board agenda and ensuring the Directors receive complete and accurate information in a timely manner;

(d) Leading Board meetings and discussions;

(e) Encouraging active participation and allowing dissenting views to be freely expressed;

(f) Managing the interface between Board and management; and

(g) Ensuring appropriate steps are taken to provide effective communication with shareholders and stakeholders and that their views are communicated to the Board as a whole.

6.5.4 The Chairman, through the Company Secretary, shall set the Board meeting agenda and ensure adequate time is allocated for discussion of issues tabled to the Board for deliberation.

6.5.5 The Chairman shall ensure that the Board Committee meetings are not combined with the main Board meeting.

6.6 Executive Directors

6.6.1 The Executive Directors shall be responsible for implementing the policies and strategies approved by the Board for the purpose of running the business and the day-to-day management of the Group, within the authorities as delegated by the Board.

6.6.2 The primary roles of the Executive Directors are:

(a) strategy development, implementing and monitoring;

(b) business development;

(c) compliance with regulations;

(d) performance management;

(e) human resources management;

(f) risk management; and

(g) stakeholder management.

6.6.3 The Executive Directors are supported by Management and other Committees which are tasked to oversee key operating areas.

6.7 **Chief Executive Officer ("CEO")**

6.7.1 The CEO has overall responsibility for the day-to-day management of the business and implementation of the Board's policies, directives, strategies and decisions.

6.7.2 All Board authority conferred on Management is delegated through the CEO so that the authority and accountability of Management is considered to be the authority and accountability of the CEO so far as the Board is concerned. The Board must agree to the levels of sub-delegation below the CEO.

6.7.3 Only decisions of the Board acting as a whole are binding on the CEO. Decisions or instructions of individual Members, officers or committees are not binding except in those instances where specific authorisation is given by the Board.

6.7.4 The responsibilities of the CEO, amongst others, are as follows:-

(a) to develop and implement corporate strategies and policies for the Group as approved by the Board;

(b) to supervise heads of divisions and functions who are responsible for contributing to the success of the Group;

(c) to ensure the efficiency and effectiveness of the operations of the Group;

(d) to ensure that the assets of the Group are adequately maintained and protected, and not unnecessarily placed at risk;

(e) to assess the benefits and risks of potential business opportunities for the Group;

(f) to bring material and other relevant matters to the attention of the Board in an accurate and timely manner;

(g) to act within the authority delegated to him by the Board;

(h) maintain a clear reporting lines to ensure adequate and defined channels of reporting between the Board, CEO and the Management; and

(i) foster a positive corporate culture that promotes ethical practices, encourages individual's integrity and fulfils social responsibility to attract, retain and motivate a diverse group of top-quality employees at all levels.

6.7.5 The Deputy CEO shall assume full role and responsibilities of the CEO in the absence of the CEO.

6.7.6 The following are management limitations of the CEO:

(a) The CEO is expected to act within all specific authorities delegated to him or her by the Board.

(b) The CEO is expected to not cause or permit any practice, activity or decision that is contrary to commonly accepted good business practice or professional ethics.

(c) The CEO is expected to not cause or permit any action without taking into account the health, safety, environmental and political consequences and their effect on long-term shareholders' values.

(d) In managing the risks of the Group, the CEO is expected to not cause or permit anyone to substitute their own risk preferences for those of the shareholders and other stakeholders.

(e) The CEO is expected to not permit employees and other parties working for the Group to be subjected to treatment or conditions that are undignified, inequitable, unfair or unsafe.

(f) The CEO is expected to not cause or permit payments to be made or rewards given unless they are in return for contributions towards the purposes of the business and are proportional to the extent that the contribution in question has furthered such purposes.

6.8 Company Secretary

6.8.1 The Board shall ensure that it is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

6.8.2 The Company Secretary through the Chairman, plays an important role in good governance by helping the Board and its Committees function effectively and in accordance with their Terms of Reference and best practices.

6.8.3 The roles and responsibilities of a Company Secretary include, but are not limited to the following:

(a) Attend and record minutes of the Board and ARMC;

(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 AGM;

(f) Monitor corporate governance developments and assist the Board in applying corporate governance practices to meet the Board's needs and stakeholders' expectations; and

(g) Serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

6.8.4 In performing the Company Secretary's duties, he/she should always observe the following principles:

(a) Professionalism

The Company Secretary should –

i. take the necessary steps to ensure compliance with relevant legislations, regulations, procedures, rules and guidelines governing the Company;
ii. keep abreast with the requirements of the practising certificate issued under section 241 of the Companies Act 2016;
iii. at all times strive for professional competency and exhibit a high degree of skill and proficiency in the performance of the duties of his/her office;
iv. be knowledgeable of law of meetings, meeting procedures, particularly quorum requirements, voting procedures and proxy provisions and be responsible for the proper conduct of meetings;
v. adopt an objective and positive attitude and give full cooperation when dealing with governmental authorities and regulatory bodies;
vi. limit his/her position as named company secretary of companies to a number in which he/she can best and fully devote his/her times and attention effectively;
vii. be present in person or ensure that he/she is represented at the Company's registered office on the days and at the hours that the office is accessible to the public;
viii. be aware of all relevant reporting and other regulatory requirements imposed by statute within which the Company operates; and
ix. be present or represented at meetings including Board meetings to properly exercise the professional responsibilities as a Company Secretary of the Company.

(b) Corporate Governance

The Company Secretary should –

i. at all times exercise the utmost good faith and act both responsibly and honestly with reasonable care and due diligence in the exercise of his/her powers and the discharge of the duties of his/her office;

ii. neither direct for his/her own advantage any business opportunity that the company is pursuing, nor may he/she use or disclose to any party any confidential information obtained by reason of his/her office for his/her own advantage or that of others;
iii. disclose to the Board of Directors or an appropriate public officer any information within his/her knowledge that he/she honestly and reasonably believes suggesting that a fraud is being or is likely to be occurred by the Company or by any of its directors or employees; and
iv. attend continuous professional development programmes to keep abreast with corporate governance developments and other relevant statutory requirements affecting the companies.

(c) Relationship with Directors and shareholders

The Company Secretary should –

i. at all times strive to assist the company towards its proper objectives within the tenets of moral responsibility, efficiency, and administrative effectiveness;
ii. have a clear understanding of the aims and objectives of the Company, and of the powers and restrictions as provided in the Companies Act 2016 and Constitution (if applicable);
iii. assist and advise the Directors to ensure at all times that the Company maintains an effective system of internal control, for keeping proper registers and accounting records;
iv. be impartial in his/her dealings with shareholders and Directors, without fear or favour;
v. use his/her best endeavours to ensure that the directors and the Company comply with the relevant legislations, contractual obligations and other relevant requirements;
vi. advise the Board of Directors that no policy is adopted by the Company that will antagonise or offend any stakeholders of the Company; and
vii. facilitate communication among the Board members, the Board and Management, the Chairman and the CEO, the Company and its shareholders, and the Company and its stakeholders.

7. BOARD COMMITTEES AND MANAGEMENT COMMITTEE

7.1 To effectively discharge its responsibilities to the Group, the Board has delegated certain functions to the following:

Board Committees

- Audit and Risk Management Committee ("ARMC")
- Nomination and Remuneration Committee ("NRC")

Management Committee

- Executive Committee ("Exco")

7.2 The Board Committees and Management Committee shall operate within its respective clearly defined Terms of Reference ("TOR") approved by the Board and are reviewed from time to time to ensure they remain relevant and are up-to-date.

7.3 The Management Committee shall present any proposals to the relevant Board Committee for review and recommendation to the Board for approval, where required. Any new or revised authority levels or limits within the Group Summary of Authority Limits ("SAL") relating to operational matters approved by Management Committee shall be within the scope of the Board-approved delegation of authority and tabled at the ARMC and Board meetings for notation. Any material modifications

affecting financial exposure, segregation of duties, critical controls, risk appetite or matters reserved for the Board shall require the Board's approval.

7.4 The Chairman of the respective Board Committees report to the Board on outcome of deliberations of the respective meetings.

7.54 The approved TOR for ARMC, NRC and Exco are at the Company's website at www.choobee.com.

8. BOARD MEETINGS

8.1 The Board shall meet at least four (4) times in a financial year, with additional meetings to be convened as and when necessary.

8.2 Notices and agenda of meetings together with the relevant Board papers shall be distributed at least five (5) working days prior to the Board meetings via facsimile, electronic mail or by any means of telecommunication in permanent written form, unless otherwise agreed by the Board

8.3 The quorum for Board meetings shall be at least two (2) of the number of Directors. Each member of the Board is entitled to one (1) vote in deciding on matters deliberated at meetings of the Board of Directors, and all resolutions shall be made by a simple majority of votes by the Board.

8.4 Each Director shall attend at least 50% of the total Board Meetings held during the year. The Directors may attend the Board meetings in conference via telephone, video, electronic or other communication facilities which permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously in which event such Director shall be deemed to be present at the meeting.

8.5 A resolution in writing signed by a majority of the Directors shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted. A signed Directors' Circular Resolution transmitted by an electronic means shall be deemed to be an original.

8.6 The Directors are required to inform the Board of conflicts or potential conflict of interest that may have in relation to a particular subject matter or business transaction. These Directors shall abstain from deliberation and determination of those matters.

8.7 The Directors shall have direct access to the key management and have unrestricted access to all information pertaining to the Group in a timely manner for the discharge of their duties effectively. The Board is entitled to obtain independent professional advice at the cost of the Company.

8.8 The Company Secretary shall act as the Secretary of the Board who shall be in attendance and shall be responsible for keeping minutes of all Board Meetings. The Board also has access to any form of independent professional advice, information and the advice and services of the Company Secretary, if and when required, in carrying out its functions.

8.9 The minutes shall record the proceedings of the meeting, the tabling of pertinent issues, the substance of inquiry and response, relevant suggestions and decision made, including whether any Director abstained from voting or deliberating on a particular matter, as well as the rationale behind those decisions. Minutes of meeting should be circulated to all members of the Board within 30 business days after the meeting.

9. EVALUATION OF BOARD, BOARD COMMITTEES AND INDIVIDUAL DIRECTORS

9.1 The NRC is entrusted by the Board to annually review the performance and effectiveness of the Board and Board Committees, individual Directors, Senior Management as well as independence of the Independent Directors. As part of the performance evaluation, the NRC will consider the balance of skills, experience, independence and knowledge on the Board in accordance to the Directors' Fit and Proper Policy. The NRC will also review their performance in addressing the Group's material sustainability-related risks and opportunities.

9.2 This exercise is carried out after the end of each financial year or such other time as may be deemed appropriate.

9.3 The assessment results from the evaluation form the basis of the NRC's recommendation to the Board on the re-election and/or re-appointment of Directors and members of the Board Committees as well as on the further development of the Board and Board Committees. No person shall be appointed, re-appointed, elected or re-elected as a Director on the Board or continue to serve as a Director if the person is or becomes an active politician. A person is considered an "active politician" if he is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.

10. DIRECTORS' REMUNERATION

10.1 The level and composition of remuneration of Directors and Senior Management take into account the Group's desire to attract and retain the right talent in the Board and Senior Management to drive the Group's long-term objectives. Remuneration policies and procedures are made through a transparent and independent process.

10.2 The Board has established remuneration policies and procedures to determining the remuneration of Directors and Senior Management, which takes into account the demands, complexities and performance of the Company as well as skills and experience required.

10.3 The NRC assists the Board in developing and administrating a fair and transparent procedure for setting the policy on remuneration of Directors and Senior Management. The remuneration package made is aligned with business strategies, long term objectives and Company's performance in managing material sustainability risks and opportunities.

10.4 No Director, whether Executive or Non-Executive, shall be involved in deciding his/her own remuneration.

10.5 The Directors receive fixed fees, which are approved at the AGM and are stated in the Annual Report. In addition to the fixed fees, Chairman of the respective Board Committees as well as Non-Executive Directors are also paid Chairman and meeting allowances respectively for every Board and Board Committee attendance. Such allowances are also approved at the AGM and are stated in the Annual Report.

10.6 The remuneration policy and procedures which are available in the Company's website, are reviewed by the NRC for recommendation to the Board for approval as and when needed and will be amended as appropriate to reflect the current best practices.

11. DIRECTORS' TRAINING

11.1 Directors' training is an on-going process as Directors recognise the need to continually develop and refresh their knowledge and skills, and to update themselves on developments in the steel industry and business landscape both domestically and internationally. Such trainings can include attending

external seminars/talks/trade fairs/exhibitions as well as internally facilitated sessions and through reading materials.

11.2 In addition to the Mandatory Accreditation Programme as required under the MMLRs, the Board, through the NC, shall assess the training needs of the Directors from time to time and to ensure that its members continue to update their knowledge and enhance their skills through appropriate continuing education programme and lifelong learning. This will enable directors to fulfil their responsibilities to the Company and enhance their contributions to board deliberations.

11.3 The Board's policy requires each Director to attend at least one (1) training session annually.

11.4 The Board assesses each member's training requirements based on the feedback from members of the Board. The NRC will then analyse the training needs of each Director and delegate the task of sourcing for the appropriate training, according to the Director's needs, to the Human Resource Department of the Group. Directors are also personally responsible for their own training needs and should they come across any suitable training, they will notify the Human Resource Department to make arrangements accordingly.

12. RELATIONSHIP WITH SHAREHOLDERS AND STAKEHOLDERS

12.1 The Board shall maintain an effective communication process and good relationship with its shareholders and stakeholders, including potential investors, analysts and the public.

12.2 Any major corporate developments and happenings in the Group are duly and promptly announced to all shareholders and stakeholders to ensure transparency and good corporate governance practices.

12.3 Ways of communication to shareholders and stakeholders, amongst others, are as follows:-

(a) Timely announcements and disclosures made to the Bursa Securities, which include quarterly financial results, annual report, corporate announcements and any other material information that may affect the investors' decision making;

(b) Teleconferencing, telephone calls and visits by investor/analyst;

(c) Press conference which is normally held after each Company's AGM and/or Extraordinary General Meeting (EGM) ("general meeting") to provide the media an opportunity to receive an update from the Board on the proceedings at the meetings and to address any queries or areas of interest of the media;

(d) Corporate website (www.choobee.com) which contains information such as corporate profile, financial results, corporate governance matters, corporate highlights and all announcements made to the Bursa Securities as well as contact details of designated persons to address any queries; and

(e) General meeting which provides a platform for the shareholders to interact or engage directly with the Board. For AGM, notice shall be given to the shareholders at least 28 days prior to the meeting. During the general meeting, shareholders are given opportunities to enquire and comment on the Company's performance and operations. The Board shall leverage technology to facilitate voting including voting in absentia and remote shareholders' participation at general meetings. The Chairman of the Board shall ensure that general meetings (including virtual meetings) support meaningful engagement between the Board, Senior Management and shareholders. The complete minutes of the general meeting will be published on the Company's website within 30 business day after the meeting.

12.4 In addition to maximising shareholders value, the Board recognises the importance of taking consideration the needs and interests of its other stakeholders in the course of pursuing the vision and mission of the Group. Thus, the Board is responsible for:

(a) Ensuring the Group's strategies promote sustainability;

(b) Ensuring effective communication not just with shareholders, but with all stakeholders;

(c) Establishing and maintaining environmental, employment and occupational health and safety policies and sustainability practices; and

(d) Ensuring that the Group remains active on its corporate social responsibilities.

13. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

13.1 The Directors are at liberty to seek independent professional advice on matters relating to the fulfilment of their roles and responsibilities. The Directors can also seek advice from Management on issues pertaining to their respective jurisdictions as well as request for information or updates on matters relating to the Company's business operations. The Directors may also interact directly with, or request further explanation, information or updates on any aspect of the Group's operations or business concerns from the Management. The cost of procuring these professional services will be borne by the Company. Board meeting documents and other relevant Group information/policies/procedures/processes are usually compiled in hard copy to Directors five (5) business days in advance prior to board meetings to enable sufficient preparation for deliberation and decision making.

13.2 The Directors are regularly updated by the Company Secretary on new statutory as well as regulatory requirements relating to the duties and responsibilities of the Directors. All Directors have unrestricted access to timely and accurate information and access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures are followed.

14. CODE OF CONDUCT AND ETHICS

14.1 The Directors shall adhere and maintain high ethical standards in their professional conduct as they help to ensure legal compliance, protect the Group's reputation and build trust with stakeholders.

14.2 The Group's Code of Conduct and Ethics ("Code") for both Directors and employees governs the standards of ethics and good conduct expected of Directors and employees, respectively. The core principles on which this Code rely on are those that relate to transparency, integrity, accountability, corporate liability and sustainability.

14.3 In performing Directors' duties, the Director should at all times observe the following principles:

(a) <u>Corporate Governance</u>

The Director –

i. should have a clear understanding of the aims and objectives, capabilities and capacity of the Company;
ii. should devote time and effort to attend and participate at meetings and to know what is required of the board and each of its directors, and to discharge those functions;

iii. should ensure at all times that the Company is properly managed and effectively controlled;
iv. should stay abreast of the affairs of the Company and be kept informed of the Company's compliance with relevant legislations and contractual requirements;
v. should insist on being kept informed on all matters of importance to the Company in order to be effective in corporate management;
vi. should limit his directorship to a manageable number of companies to which he can best devote his time and effectiveness as stated in Item 6.2.4;
vii. should have access to the advice and services of the Company Secretary;
viii. should at all times exercise his powers for the purposes they were conferred, for the benefit and prosperity of the Company;
ix. should disclose immediately and fully all contractual interests whether directly or indirectly with the Company;
x. should neither divert to his own advantage any business opportunity that the Company is pursuing, nor may he use confidential information obtained by reason of his office for his own advantage or that of others;
xi. should at all times act with utmost good faith towards the Company in any transaction and to act honestly and responsibly in the exercise of his powers in discharging his fiduciary duties;
xii. should be willing to exercise independent judgment and, if necessary, in his fiduciary duty, openly oppose if the vital interest of the Company is at stake;
xiii. should attend continuous professional development programmes to keep abreast with corporate governance developments and regulatory requirements; and
xiv. should ensure that reasonable steps are taken in accordance with relevant laws to properly wind up or strike off the Company register if the Company is not likely to commence business or has ceased to carry on business and is not likely to commence business in the future or again to carry on business, as the case may be.

(b) Relationship with Shareholders, Employees, Creditors, Customers and Other Stakeholders

The Director –

viii. should be conscious of the interest of shareholders and other stakeholders, among others, employees, creditors, suppliers and customers of the Company;
ix. should ensure employees fully understand and appreciate the value of good corporate governance practices and procedures through ongoing training, awareness programmes and robust communication; should ensure adequate safety measures and provide proper protection to workers and employees at workplaces;
x. should at all times promote professionalism and raise the competency of management and employees; and
xi. should adopt an objective and positive attitude and give the utmost cooperation for the common good when dealing with governmental authorities or regulatory bodies.

(c) Sustainability Practices

The Director must take accountability for the Environmental, Social and Governance ("ESG") in the Company by –

i. integrating sustainability considerations into all aspects of decision-making, including strategic management and investment decisions;
ii. planning, risk ensuring that the Company sets its sustainability strategies, goals and targets which are aligned with the Company's overall strategy and vision;

iii. being more proactive to the needs of the community and to adopt appropriate policies and initiatives towards achieving sustainability in the social, economic and environmental conditions in furtherance of the pursuit of profitability;
iv. striving to treat employees fairly and promote quality of life by adopting sustainable corporate social responsibilities;
v. ensuring that the Company's policies are in line with international trends to promote human rights in the corporate environment;
vi. ensuring that the activities and the operations of the Company do not harm the interest and well-being of the environment and the society at large; and
vii. ensuring effective use of natural resources and continuously reducing its carbon footprint.

(d) Corporate Liability

To protect both the Company and Top Management from the liabilities arising from the section 17A of the Malaysian Anti-Corruption Commission Act (MACCA) 2009, the Director must ensure that the Company –

i. practices the highest level of integrity and ethics;
ii. complies fully with the applicable laws and regulatory requirements on anti-corruption;
iii. effectively manages the key corruption risks of the organisation;
iv. puts in place the appropriate controls and contingency measures that are reasonable and proportionate to the nature and size of the organisation, in order to address any bribery and corruption risks arising from weaknesses in the organisation's governance framework, processes and procedures;
v. conducts corruption risk assessments periodically to identify, analyse, assess and prioritise the internal and external corruption risks of the organisation;
vi. provides employees and business associates with adequate training to promote their understanding of the organisation's anti-bribery and corruption position, especially in relation to their role within or outside the commercial organisation in the context of the company; and
viii. ensures that the Company's Anti-Bribery and Corruption Policy be made publicly available and should also be appropriately communicated to all employees and business associates.

14.4 The Code of Conduct and Ethics is at the Company's website at www.choobee.com.

14.5 Declaration of Interests and Conflict of Interests

Directors should avoid conflicts of interest as far as possible.

A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company or any of its subsidiaries shall declare the Director's interest in accordance with the Act. The Director concerned shall not participate in deliberations and shall abstain from casting votes in any matter arising thereof unless as otherwise provided for in the Act.

Should there be an actual, potential or perceived conflict of interest between the Company or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, the Director involved are required to declare at all times the nature and extent of any conflict of interests, whether direct or indirect, with the Company or its subsidiaries, and to abstain from any deliberation and voting on the matter relating thereto.

14.6 Dealing in Securities

1. Definitions

"*Dealing*" includes any one or more of the following actions, whether undertaken as principal or as agent:-

(a) acquiring or disposing (including transfer) of securities or any interest in securities; or

(b) subscribing for or underwriting securities;

(c) making or offering to make with any person, or inducing or attempting to induce any person to enter into or to offer to enter into:

(i) any agreement for or with a view to acquiring or disposing of securities or any interest in securities;
(ii) any agreement for or with a view to subscribing for or underwriting securities; or
(iii) any agreement the purpose or avowed purpose of which is to secure a profit to any of the parties from the yield of securities or by reference to fluctuations in the values of securities; and

(d) granting, accepting, acquiring, disposing of, exercising or discharging an option (whether for the call or put or both) or any other right or obligation, present or future, conditional or unconditional, to acquire or dispose of securities or any interest in 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.

"*Closed period*" means a period commencing 30 calendar days before the targeted date of announcement up to the date of the announcement of the quarterly results to Bursa Securities via Bursa LINK.

2. General Restriction on Dealings

Directors may conduct their dealings in securities of CBM during trading window period or outside closed period and recommended to refrain from dealing during closed period. However, if an exceptional situation arise that compels the Director to deal during closed period, it is a mandatory requirement to adhere to the procedures as detailed in item 4.1 and 4.2 below.

A Director must not deal in the securities of CBM as long as he is in possession of price-sensitive information relating to the securities of CBM.

A Director who is not in possession of price-sensitive information relating to the securities of CBM may engage in dealings with such securities of CBM during a closed period provided that he/she complies with the procedures a set out in Section 4.1 below.

3. Exemptions and Subsequent Dealings

The categories of dealings that are exempted from the restrictions are:-

(a) the acceptance or exercise of options or rights under an employee share or share option scheme;

(b) the exercise of warrants;
(c) the conversion of convertible securities;

(d) the acceptance of entitlements under an issue or offer of securities where such issue or offer is made available to all holders of a public listed company's securities or to all holders of a relevant class of its securities, on the same terms;

(e) the undertaking to accept, or the acceptance of a take-over offer; and

(f) the undertaking to accept, or acceptance of securities as part of a merger by way of a scheme of arrangement.

Subsequent dealings in securities obtained as a result of the abovementioned exemption, are not exempted from the restriction.

4. Procedures for Dealings

4.1 Procedure for Dealings During Closed Period

A Director who wishes to deal in the listed securities of CBM during a closed period must comply with the following procedures:

(a) before the proposed dealing, must give notice of intention to deal in writing to the Company Secretary two (2) full market days prior to the intended dealing;

(b) upon receipt of such notice, the Company Secretary must immediately announce to the Exchange.

(c) the proposed dealing can only be effected after one (1) full market day from the date of the announcement made pursuant to item (b) above;

(d) must give notice of the dealing in writing to the Company Secretary within one (1) full market day after the dealing has occurred for immediate announcement to the Exchange.

4.2 Procedure for Dealings Outside Closed Period or Trading Window Period

Where a Director deals in the listed securities of CBM outside closed period or trading window period, the Director must give notice of the dealing in writing to the Company Secretary, within three (3) market days after the dealing has occurred, for immediate announcement to the Exchange.

5. Insider Trading

Directors who possess Inside Information shall not:-

(a) deal in securities; or

(b) communicate such information to any unauthorised persons, for the benefit of himself/herself or any other persons.

When dealing in the securities, a Director shall comply with the relevant laws on trading in securities and observe the processes and procedures of Dealing in Securities as set out above.

15. WHISTLEBLOWNG POLICIES AND PROCEDURES ("WPP")

15.1 The ARMC is responsible to review the WPP at least once every three (3) years, or as and when the need arises for any amendment or update, before recommending to the Board for approval. The WPP is implemented to foster an environment where integrity and ethical behaviour are maintained and any illegal or improper action and/or wrongdoing in the Company may be exposed. The ARMC is responsible for overseeing the implementation of the WPP for the Group's management, and all whistleblowing reports are addressed to the Chairman of the ARMC. The CEO is responsible for overseeing the implementation of the WPP for the Group's employees, where the CEO would address all whistleblower reports made by employees or external parties as prescribed under the WPP.

15.2 The WPP is available on the Company's website at www.choobee.com.

16. ANTI-BRIBERY AND CORRUPTION ("ABC") POLICY

16.1 The ARMC is responsible to review the ABC Policy at least once every three (3) years, or as and when the need arises for any amendment or update, and being recommending to the Board for approval. The ABC Policy is implemented to address and manage bribery and corruption risks, promotes a culture of integrity within the organization and comply to laws and regulatory requirements. Communication and good standards of behaviour permeate throughout all levels of the Group would help prevent misconduct and unethical practices. Consequently, it will support the delivery of long-term sustainable success of the Company. Any prohibited act or possible violations of the ABC Policy shall be reported to the Compliance Officer who will perform initial investigation. Where the matter is deemed potentially serious, it will be promptly reported to the CEO and/or Chairman of the ARMC.

16.2 The Directors (whether acting in their own capacity or on the Group's behalf) are expected to observe high standards of business, professional and ethical conduct, by refraining themselves from offering, giving or receiving any gifts and any other form of benefits (in kind, cash, advantages and/or favour and etc) from persons or entities who deal with the Group where the gift would reasonably be expected to influence the performance of the Director's duties in any aspect.

16.3 The ABC Policy is available on the Company's website at www.choobee.com.

17. DIRECTORS' FIT AND PROPER POLICY ("FPP")

17.1 The Board is responsible to review and approve the FPP for the appointment, election and re-election of Directors. This policy will address the Board quality and integrity and aid the Group to comply with paragraph 2.20A of MMLRs on Qualification of Directors since it contains the following information:

(a) the policy on Board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of Group;

(b) appointment and re-election of Directors; and

(c) the assessment undertaken by the NRC in respect of the performance of its Board, Board Committees and individual Directors together with the criteria used for such assessment.

17.2 The Directors' FPP is available on the Company's website at www.choobee.com.

18. HUMAN RIGHTS POLICY

18.1 The Board is responsible to review and approve the Human Rights Policy which is to ensure that everyone has the right to be treated with fairness, respect and dignity at the workplace where their knowledge, skills, and abilities are the critical factors in their success. The purpose of this policy is to define the standards to which the Group is committed to and the employees shall be aware that any form of violence, forced labour, child labour, discrimination, including harassment, bullying and retaliation are unacceptable. This policy covers the area of diversity, child labour/force labour, safety and health, sexual harassment, working hours, wages and benefits, women's rights and empowerment as well as conducive work environment.

18.2 The Human Rights Policy is available on the Company's website at www.choobee.com.

19. REVIEW OF BOARD CHARTER

19.1 The Board Charter shall be reviewed annually to ensure it complies with legislations and best practices, and remains relevant and effective in light of the Board's objectives. Any subsequent amendment to the Charter can only be approved by the Board.

19.2 The Board Charter is available on the Company's website at www.choobee.com.

20. DEEMING CLAUSE

The provisions under this Board Charter have been drafted in a manner to incorporate the provisions under the MMLRs and other statutes, regulations and guidelines applicable to the Board (if any). In the event the applicable provisions of the MMLRs and/or relevant governing statutes, regulations and guidelines relating to the Board are from time to time amended, modified or varied, such amendments, modifications and variations shall be deemed inserted herein whereupon this Board Charter shall be read and construed subject to and in accordance with the amended, modified or varied MMLRs, statutes, regulations and guidelines.