

PECCA GROUP BERHAD

(COMPANY NO. 909531-D)

BOARD CHARTER

Abbreviations included in this Board Charter

AA.....	Articles of Association of the Company
AGM.....	Annual General Meeting
Board.....	The Board of Directors of the Company
Bursa Securities.....	Bursa Malaysia Securities Berhad
CA.....	Companies Act, 1965
CEO.....	Chief Executive Officer of Pecca Leather Sdn Bhd
CFO.....	Chief Financial Officer of Pecca Leather Sdn Bhd
Chairman.....	Chairman of the Board and is used in a gender neutral sense
Committee.....	The Board Committees of the Company
Company.....	Pecca Group Berhad
Company Secretary.....	Board secretary(ies)
Directors.....	the Directors for the time being of the Company and unless otherwise stated, includes their duly appointed alternates
EGM.....	Extraordinary General Meeting
Group.....	The Company and its subsidiaries
Independent Director.....	A Director who does not participate in the management of the Company and who satisfies the criteria for "independence" set out in the MMLR
Management.....	Management personnel of the Company
MD.....	Managing Director
MMLR.....	Main Market Listing Requirements of Bursa Securities
MCCG.....	Malaysian Code on Corporate Governance 2012
SC.....	Securities Commission
Senior Management.....	Senior Management personnel of the Company

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1. INTRODUCTION

The Board regards corporate governance as vitally important to the success of the Group's business and are unreservedly committed in ensuring that the following principles of good governance are practised in all of its business dealings in respect of its shareholders and relevant stakeholders:

- The Board is the focal point of the Group's corporate governance system. It is ultimately accountable and responsible for the performance and affairs of the Group.
- All Board members are expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.
- All Board members are responsible in ensuring the Group achieves a high level of good governance.
- This Board Charter shall constitute, and form, an integral part of each Director's duties and responsibilities.

The Board Charter serves as a reference point for Board activities and should not be construed as a blueprint for Board operations. Just as each organisation has its own corporate culture, the dynamics of each Board is unique. The dynamics shift as the composition of the Board changes, and the Directors of the Company should always be open to new opportunities and ready to confront new challenges brought about by change.

This Board Charter aims to promote high standards of corporate governance and is designed to provide guidance and clarity for Directors and Management with regard to the role of the Board and its Committees, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as the Board's operating practices. This Board Charter does not overrule or pre-empt the statutory requirements of Directors enshrined in the CA, the Income Tax Act, 1967 and other relevant statutes, including the conduct of the Board as stipulated in the AA, the constitution of the Company. To the extent of any conflict between the terms of this Board Charter and the AA, the AA shall prevail.

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2. OBJECTIVES

The objectives of this Board Charter are to ensure that all Board members are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good corporate governance are applied in all their dealings in respect, and on behalf of, the Group.

In pursuit of the ideals in this Board Charter, the intention is to exceed "minimum legal requirements" with due consideration to recognised standards of best practices locally and internationally.

3. THE BOARD

3.1 Role

3.1.1 The Board is charged with leading and managing the Group in an effective and responsible manner. Each Director has a legal duty to act in good faith, to use reasonable care, skill and diligence and to act in the best interest of the Group. The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders for the manner in which the affairs of the Group are managed. The Board sets the Group's values and standards and ensures that its obligations to its shareholders and stakeholders are understood and met.

3.1.2 The Board is fully committed to developing and maintaining high standards of corporate governance by implementing the prescriptions of the principles and best practices stated in the MCCG. Good governance holds management accountable to the Board and the Board accountable to the owners and other stakeholders. The Board's fundamental approach in this regard is to ensure that the right executive leadership, strategy and internal controls for risk management are well in place. The Board includes a narrative statement in its Company's annual report on the extent of compliance with the principles and best practices set out in the MCCG pursuant to Paragraph 15.25 of the MMLR.

3.1.3 The Board ensures that the Company complies with the various guidelines issued by Bursa Securities and the SC relating to disclosure and internal audit functions.

3.1.4 Duties of the Board include establishing the corporate vision and mission of the Company, establishing its objectives and developing the strategies that direct the ongoing activities of the Company to achieve these objectives as well as the philosophy of the Company, setting the aims of Management and monitoring the performance of Management. The Board shall also determine the future of the Company and shall protect its assets and reputation.

3.1.5 The Board assumes the following specific duties and responsibilities:

a) Establishing, reviewing, adopting and monitoring the strategic plan of

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the Company;

- b) Overseeing the conduct of the Company's businesses to evaluate whether the business is properly managed;
- c) Identifying principal risks and ensure the implementation of appropriate controls and systems to manage these risks;
- d) Establishing a succession plan including appointing, training, fixing the compensation of and where appropriate, replacing Executive Directors and Senior Management;
- e) Developing and implementing an investors relations programme or shareholder communication policy to ensure effective communication with its shareholders and other stakeholders;
- f) Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for ensuring compliance with applicable laws, regulations, rules, directives and guidelines;
- g) Ensuring that the Group adheres to high standards of ethics and corporate behaviour; and
- h) Strategic planning, overseeing financial and operational performance, monitoring risk management processes, merger and acquisition activities and reviewing the adequacy of internal control systems.

3.1.6 The Board reserves full decision-making powers on the following matters:

- a) Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- b) Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- c) Strategic investments, mergers and acquisitions and corporate exercises;
- d) Limits of authority;
- e) Treasury policies;
- f) Risk management policies; and
- g) Key human resource issues.

3.1.7 The responsibilities of the Directors include:

- a) To direct the management of the business and affairs of the Group;
- b) To attend substantially all the meetings of the Board and substantially

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all the meetings of each Committee on which the Director serves; and

- c) To review, before attending meetings of the Board or Committees, all materials provided by the Company relating to matters to be considered at the meetings.

3.2 Composition and Board Balance

3.2.1 The Board should consist of qualified individuals with diverse experiences, backgrounds and perspectives. The AA provides a minimum of two (2) and a maximum of nine (9) Directors. The composition and size of the Board should be such that it facilitates the making of informed, critical decisions without limiting the level of individual participation, involvement and effectiveness.

3.2.2 At any one time, at least two (2) or one-third (1/3), whichever is higher, of the total Board members shall comprise of Independent Directors. The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations.

If the number of Board members 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 Board must ensure that the vacancy is filled within 3 months.

The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine years, an Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director. The Board may recommend and subject to obtaining the approval of the Company's shareholders, retain an Independent Director who has served a cumulative term of nine (9) years as an Independent Director of the Company.

3.2.3 The MD and the executive Director(s) are the "Executive" Directors on the Board. However, the views of the Management are represented at meetings of the Board by the presence of senior executives when required.

3.2.4 The Independent Directors help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

3.2.5 The Board may appoint a senior Independent Director to whom shareholders' concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman or the MD have failed to resolve them.

3.3 Appointments

3.3.1 The appointment of a new Director is a matter for consideration and

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decision by the full Board upon appropriate recommendation from the Nomination Committee (as defined below).

3.3.2 Without limiting the generality of the foregoing, the qualifications for Board membership are:

- (i) the ability to make informed business decisions and recommendations;
- (ii) an entrepreneurial talent for contributing to the creation of shareholder value;
- (iii) relevant experience in regional and/or international markets;
- (iv) education and experience that provides knowledge of business, financial, governmental or legal matters that are relevant to the Company's business or to its status as a publicly owned company;
- (v) ability to ask probing operational related questions, high ethical standards, sound practical sense;
- (vi) sufficient available time to be able to fulfil his or her responsibilities as a member of the Board and any of the Committees to which he or she may be appointed; and
- (vii) total commitment to furthering the interests of shareholders and the achievement of the Company's goals.

The Board shall undertake an assessment of its Independent Directors annually.

3.3.3 The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.

3.3.4 The Company has adopted an induction programme for newly appointed Directors. The induction programme aims at communicating to the newly appointed Directors, the Company's vision and mission, its philosophy and nature of business, current issues within the Group, the corporate strategy and the expectations of the Company concerning input from Directors.

3.3.5 In addition to the Mandatory Accreditation Programme as required by the Bursa Securities, Board members are also encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Company's operations and business. The Board will assess the training needs of the Directors and disclose in the annual report the trainings attended by the Directors.

3.3.6 The tenure of the executive Directors are tied to their executive office.

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3.4 Re-election

- 3.4.1 Pursuant to the AA, all Directors must retire once at least every three (3) years but shall be eligible for re-election.
- 3.4.2 There is a maximum age of 70 for Directors. A Director who has attained the age of 70 may be reappointed as a Director at the next AGM provided that the resolution is passed by a majority of not less than three-fourths of such shareholders present and voting who, being entitled to do so, vote in person or by proxy at the general meeting of the Company.

3.5 Duty to Disclose Interest

- 3.5.1 The AA stipulates that every Director who may have direct or indirect interest in any contract or proposed contract or arrangement with the Company and/or Group shall immediately declare his/her interest to the Board and shall not participate in deliberations and shall abstain himself/herself from casting his/her votes in any matter arising therefrom.
- 3.5.2 Should there be an actual, potential or perceived conflict of interest between the Company and a Director, or an associate of a Director such as a spouse, other family member, or a related company (*as defined under Section 122A of the CA*), the Director involved shall make full disclosure and act honestly in the best interest of the Company.
- 3.5.3 An actual, potential or perceived conflict of interest shall not necessarily disqualify an individual Director from the Board provided that full disclosure of the interest has been made in good faith and due honesty.

3.6 Board Processes

- 3.6.1 The Board meets at least once every quarter to facilitate the discharge of their responsibilities. Members of Management who are not Directors may be invited to attend and speak at meetings on matters relating to their sphere of responsibility.
- 3.6.2 Any Director may participate at a Board meeting or Committee meeting by way of telephone and video conferencing or by means of other communication equipment in which event such Director shall be deemed to be physically present at the meeting and shall be taken into account in ascertaining the presence of a quorum at the meeting.
- 3.6.3 All Directors have the same right of access to all information and Senior Management within the Group whether collectively as a Board or in their individual capacity in furtherance of their duties and responsibilities as Directors of the Company.
- 3.6.4 The Management is responsible for providing the Board with the required information in an appropriate and timely manner. If the information provided by the Management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.

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- 3.6.5 The notice of each Board meeting together with the agenda and comprehensive Board papers are circulated to all Directors at least seven (7) days prior to the meeting. When there is a need to table a report, a brief précis of findings and/or recommendations shall be prepared.
- 3.6.6 Full Board minutes of each Board meeting are kept by the Company Secretary and are available for inspection by any Director during office hours.
- 3.6.7 If, on any matter discussed at a Board meeting, any Director holds views contrary to those of any of the other Directors, the Board minutes will clearly reflect this.
- 3.6.8 The Board as well as any Director is entitled to obtain independent professional advice relating to the affairs of the Group or to his or her responsibilities as a Director, subject to Paragraph 3.6.9 below.
- 3.6.9 If a Director considers such advice necessary for the discharge of his or her duties and responsibilities as Director and for the benefit of the Company, such Director shall obtain the Board's prior approval, and in seeking such advice, shall be required to comply with the following procedures:
- The request shall be made in writing to the Board;
 - The Director concerned shall prepare a detailed paper to be submitted to the Board, highlighting inter alia the purpose behind the request and the estimated costs for the advice; and
 - The Board shall deliberate on the said paper and at its absolute discretion determine if the Director concerned shall be permitted to seek independent professional advice. Should a request be denied, the Director concerned is entitled to have his or her views duly recorded.
- 3.6.10 The cost of the advice shall be reimbursed by the Company. The Board or the Director, as the case may be, shall ensure that so far as is practicable, the cost is reasonable.

4. CHAIRMAN AND MD

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

4.1 Chairman

- 4.1.1 The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role. The Chairman is responsible for:
- a) leading the Board in setting the values and standards of the Group;

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- b) the balance of membership, subject to Board and shareholders' approval;
- c) maintaining a relationship of trust with and between the executive and non-executive Directors;
- d) ensuring the provision of accurate, timely and clear information to Directors;
- e) ensuring effective communication with shareholders and relevant stakeholders;
- f) arranging regular evaluation of the performance of the Board, its Committees and individual Directors;
- g) facilitating the effective contribution of non-executive Directors and ensuring constructive relations be maintained between executive and non-executive Directors; and
- h) leading the Board on its succession planning program for Board and Senior Management levels.

4.1.2 The Chairman is responsible for running the business of the Board to ensure that:

- all Directors are properly briefed on issues arising at Board meetings.
- sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion.
- the issues discussed are forward looking and focused on strategy.

4.1.3 The Chairman ensures that every Board resolution is put to vote to ensure the will of the majority prevails and any concern or dissenting views expressed by any Director on any matter deliberated at meetings of the Board are adequately addressed and duly recorded in the relevant minutes of meetings.

4.1.4 The Chairman ensures that executive Directors look beyond their executive functions and accept their full share of responsibilities on governance.

4.1.5 The Chairman will have no casting vote if two (2) Directors form a quorum at a particular meeting, or if there are only two (2) Directors competent to vote on the question at issue.

4.2 MD

4.2.1 The MD is the conduit between the Board and the Management in ensuring the success of the Group's governance and management functions.

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- 4.2.2 The MD, in association with the Chairman, is accountable to the Board for the achievement of the Group's mission, goals and objectives and the MD is accountable to the Board for the observance of Management's limitations.
- 4.2.3 The MD has the executive responsibility for the day-to-day operation of the Group's business.
- 4.2.4 The MD implements the policies, strategies and decisions adopted by the Board.
- 4.2.5 All Board authorities conferred on the Management is delegated through the MD and this will be considered as the MD's authority and accountability as far as the Board is concerned.
- 4.2.6 Generally, the MD is responsible to the Board for the following:
- a) executive management of the Group's business covering, inter alia, the development of a strategic plan; an annual operating plan and budget; performance benchmarks to gauge management performance against and the analysis of management reports;
 - b) effectively overseeing the human resources of the Group with respect to key positions in the Group's hierarchy, determination of remuneration as well as terms and conditions of employment for Senior Management and issues pertaining to discipline;
 - c) assuring that the Group's corporate identity, products and services are of high standards and are reflective of the market environment;
 - d) be the official spokesman for the Company and responsible for regulatory, governmental and business relationships;
 - e) coordinating business plans with the business heads, coordinating management issues through the Board, and overseeing divisional function groups and cost containment process in consultation with the CEO and/or CFO and the regional office or head office of the Group;
 - f) regularly reviewing the heads of divisions and departments who are responsible for all functions contributing to the success of the Company;
 - g) assessing business opportunities which are of potential benefit to the Company;
 - h) maintaining and facilitating a positive working environment and good employee relations;
 - i) promoting a high degree of corporate governance and ethics across the Group;
 - j) assisting in the selection and evaluation of Board members through

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the Nomination Committee (as defined below); and

- k) assisting the Chairman in organising information necessary for the Board to deal with the agenda and for providing this information to Directors on a timely basis.

5. BOARD COMMITTEES

The Board appoints the following Board Committees:

- Audit and Risk Management Committee (“ARMC”)
- Nomination Committee (“NC”)
- Remuneration Committee (“RC”)

Independent and non-executive Directors 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 memberships of the ARMC, NC and RC appointed by the Board are published in the annual report whereas the terms of reference of the ARMC and NC are published on the Company’s website.

5.1 ARMC

The ARMC assists and supports the Board’s responsibility of overseeing the Group’s operations by providing a means for review and monitoring of the integrity of the Group’s financial reporting process, its management of risk and internal control system, its audit process as well as compliance with legal and regulatory matters, its own code of business conduct and such other matters that may be specifically delegated to the AC by the Board from time to time.

5.2 NC

The NC oversees matters related to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director as well as identify candidates to fill board vacancies, and nominating them for approval by the Board. The NC also reviews and recommends to the Board corporate governance principles to be implemented for the Group, in compliance with the MCCG.

5.3 RC

The RC is primarily responsible for recommending to the Board the remuneration policies, principles and the framework for the Company’s Directors, chief executive and Senior Management.

- 5.4** The Committees shall operate under their respective terms of reference. The Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their charters. The Chairman of the respective Committees reports to the Board on the outcome of the

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Committee meetings and such reports or minutes will be included in the Board papers.

Although the Board has granted discretionary authority to these Committees to deliberate and decide on certain operational matters as set out in their respective terms of reference, the ultimate responsibility for final decision on all matters lies with the Board.

6. REMUNERATION LEVELS OF DIRECTORS

- 6.1 The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal.
- 6.2 The level of remuneration for the MD and Executive Directors is recommended by the RC to the Board after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.

In fixing the remuneration to be paid to Directors who are not employees of the Group for serving on the Board and on Committees of the Board, the Board will consider the following:

- a) The compensation that is paid to Directors of other companies which are comparable in size to the Group.
 - b) The amount of time it is likely Directors will be required to devote in preparing for and attending meetings of the Board and the Committees on which they serve.
 - c) The success of the Company (which may be reflected in compensation related to the price of the Company's shares).
 - d) If a Committee on which a Director serves undertakes a special assignment, the importance of that special assignment to the Group and its shareholders.
 - e) The risks involved in serving as a Director and a member of Board Committees.
- 6.3 Fees payable to non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- 6.4 Salaries and other emoluments payable to executive Directors pursuant to a service contract need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission

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on or percentage of turnover.

- 6.5 There is adequate disclosure in the annual report with a note on the remuneration of Directors.

7. ACCOUNTABILITY AND AUDIT

7.1 Financial Reporting

- 7.1.1 The Board aims to present a clear and balanced assessment of the Group's financial position and future prospects that extends to the annual and quarterly reports.
- 7.1.2 The Board ensures that the annual and interim financial statements are prepared so as to give a true and fair view of the current financial status of the Group in accordance with the approved accounting standards.
- 7.1.3 The Group's practice is to announce to Bursa Securities its quarterly financial results as early as possible within two (2) months after the end of each quarterly financial period.
- 7.1.4 The auditors' report shall contain a statement from the auditors explaining their responsibility in forming an independent opinion, based on their audit, of the financial statements.

7.2 Company Auditors

- 7.2.1 The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company auditors through the AC.
- 7.2.2 The AC also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company auditors. The AC ensures that the Company auditors do not supply a substantial volume of non-audit services to the Company.
- 7.2.3 Appointment of the Company auditors is subject to approval of shareholders at general meeting. The Company auditors have to retire during the AGM every year and be re-appointed by shareholders for the ensuing year.

7.3 Internal Controls and Risk Management

- 7.3.1 The Board has overall responsibility of maintaining a system of internal controls, which provides reasonable assurance of effective and efficient operations and compliance with laws and regulations as well as with internal policies and procedures.
- 7.3.2 The Company has a well-resourced internal audit function, which critically reviews all aspects of the Company's activities and its internal controls. Comprehensive audits of the practices, procedures, expenditure and

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internal controls of all business and support units and subsidiaries are undertaken on a regular basis. The Head of Internal Audit has direct access to the Board through the Chairman of the AC.

- 7.3.3 The Board ensures the system of internal controls and enterprise risk management are reviewed on a regular basis by the AC.
- 7.3.4 The ARMC receives reports regarding the outcome of such reviews on a regular basis.

8. GENERAL MEETINGS

8.1 AGM

- 8.1.1 The Company regards the AGM as an important event in the corporate calendar of which all Directors and key senior executives should attend.
- 8.1.2 The Company regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.
- 8.1.3 The Chairman encourages active participation by the shareholders during the AGM.
- 8.1.4 The Chairman and, where appropriate, the MD and/or the CEO responds to shareholders' queries during the meeting. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.
- 8.1.5 To keep the media informed, the Group will disseminate copies of the annual report to all relevant press and hold a press conference immediately following the AGM itself at which time the MD and/or the CEO will brief those present on details of the financial year results.

8.2 EGM

- 8.2.1 The Directors will consider requisitions by shareholders to convene an EGM or any other urgent matters requiring immediate attention of the Company.

9. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

- 9.1 The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Group and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.
- 9.2 The Board ensures the timely release of financial results on a quarterly basis to provide shareholders and analysts with an overview of the Group's performance and operations in addition to the various announcements made during the year.

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- 9.3 The Company conducts dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.
- 9.4 A press conference will normally be held after each general meeting. At this press conference, the Chairman and/or MD and/or CEO and/or CFO and/or Senior Management will give a media briefing explaining the Group's results, prospects and outline any specific event for notation. All press releases will be vetted by the MD and/or CEO and/or CFO to ensure that information that has yet to be released to Bursa Securities is not released to the press.
- 9.5 The Group's website, www.peccaleather.com, provides easy access to corporate information pertaining to the Group and its activities and is continuously updated.

10. WHISTLE-BLOWING POLICY

To enhance corporate governance practices across the Group, a whistle-blowing policy was adopted which provides Directors, officers, employees and stakeholders of the Group with an avenue to report suspected improprieties such as illegal or unlawful conduct, contravention of the Group's policies and procedures, acts endangering the health or safety of any individual, public or employee, and any act of concealment of improprieties. The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, to the extent possible, be protected from reprisal, victimisation, harassment or subsequent discrimination.

11. RELATIONSHIP WITH OTHER STAKEHOLDERS

- 11.1 In the course of pursuing the vision and mission of the Group, the Board recognises that no business organisation can exist by maximising shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.
- 11.2 The Board is responsible for:
- a) ensuring the Group's strategies promote sustainability;
 - b) ensuring the rights of other stakeholders are not compromised;
 - c) ensuring the Group has in place a policy to enable effective communication not just with shareholders, but with all stakeholders;
 - d) establishing policies governing the Group's relationship with other stakeholders and the broader community; and
 - e) establishing and maintaining environmental, employment and occupational health and safety policies.

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12. COMPANY SECRETARY

- 12.1 The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board recognises the fact that the Company Secretary should be suitably qualified and capable of carrying out the duties required of the post.
- 12.2 The key role of the Company Secretary is to provide unhindered advice and services for the Directors as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.
- 12.3 Other primary responsibilities of the Company Secretary shall include:
- advising the Board on matters related to corporate governance and the MMLR;
 - ensuring that Board procedures and applicable rules are observed;
 - maintaining records of the Board and ensuring effective management of the Company's statutory records;
 - preparing comprehensive minutes to document Board proceedings and ensuring conclusions are accurately recorded;
 - assisting the communications between the Board and Management;
 - providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time; and
 - preparing agendas and co-ordinating the preparation of the Board papers.

13. APPLICATION

- 13.1 The principles set out in this Board Charter are:
- a) kept under review and updated as practices on corporate governance develop and further guidelines on corporate governance are issued by the relevant regulatory authorities; and
 - b) applied in practice having regard to their spirit and general principles rather than to the letter alone.
- 13.2 The Board endeavours to comply at all times with the principles and practices set out in this Board Charter.

14. ANNUAL PERFORMANCE EVALUATION OF THE BOARD, BOARD COMMITTEES AND INDIVIDUAL DIRECTORS

The Board, through the NC, will conduct an annual self-evaluation on its effectiveness as a whole, each individual Director and the different

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Committees established by the Board.

15. CODE OF ETHICS

The Board shall formalise and commit to ethical values through the maintenance of a code of ethics and ensure the implementation and compliance with the code of ethics.

16. REVIEW OF BOARD CHARTER

This Charter shall be periodically reviewed and may be amended by the Board as it deems appropriate.

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