



PCCS Group Berhad

**(Company No. 280929-K)
(Incorporated in Malaysia)**

BOARD CHARTER

BOARD OF DIRECTORS

CHARTER

Part 1: Definition

1.1 In this Charter:

“**Act**” means the Companies Act, 1965;

“**AGM**” means Annual General Meeting;

“**AA**” means the Articles of Association of the Company;

“**Board**” means the Board of Directors of the Company;

“**Board Charter**” means the Board of Directors’ Charter approved by the Board of Directors from time to time;

“**Business**” means the business of the Company;

“**CG**” means corporate governance;

“**Chairman**” means the Chairman of the Board and is used in a gender neutral sense;

“**Company Goals**” means the goals of the Company as set out in Part 3;

“**Directors**” means the Executive Directors and Non-Executive Directors of the Company;

“**Management**” means the management personnel of the Company;

“**Management Limitations**” means the limitations on the actions of Management as set out in paragraph 5.3;

“**MCCG 2012**” means the Malaysian Code of Corporate Governance 2012 as amended, updated or substituted from time to time;

“**MD**” means the Group Managing Director of the Company;

“**PCCS**” or “**the Company**” means PCCS Group Berhad;

“**PCCS Group**” means the companies within the PCCS Group Berhad;

“**Secretary**” means the Company Secretary or the person normally exercising the functions of a Company Secretary;

“**Shareholders**” means the shareholders of the Company; and

“**Stakeholders**” means such persons who have an interest in the Company in particular, the employees, customers and suppliers of the Company and where applicable, includes the community and the environment at large.

Part 2: Introduction

The Board recognises that good CG practices is essential to reinforce Shareholders' and Stakeholders' confidence in the Company as its Board, which is vital to the success of the Company's businesses.

The Board plays the role of steward and guardian of the Company. The Board members are expected to perform their duties with integrity, honesty and in their capacity as a fiduciary in serving the interest of the Shareholders and Stakeholders. To this end, a Board Charter has been developed which serves as a reference to the Board members in executing their responsibilities.

Objectives

This Board Charter sets out the composition, role, responsibilities, structure and processes of the Board. The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company 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 CG are applied in all their dealings in respect, and on behalf of, the Company.

This Board Charter is not an "all inclusive" document and should be read as a broad expression of principles. It shall be reviewed on a periodic basis and may be amended by the Board from time to time to ensure that the practices of the Board are consistent with the prevailing code of CG, laws and/or regulations and reflect the Board's commitment to best practice in CG.

Part 3: Company Goals

3.1 General

PCCS is one (1) of the Malaysia's leading garment manufacturers. In addition to the core business in the garment industry, the Group consisted of up to twenty (20) subsidiaries. These subsidiaries are to supplement the services of embroidery, labels & stickers, knitted fabric, elastic band, marketing and distribution of products overseas.

In congruence with the PCCS Group Philosophy, the Board has adopted the PCCS Group Vision, which aims to become an international leader in apparel and packaging industries.

3.2 Guiding Principles for the Board

- (a) In order to achieve the PCCS Group Vision, the Board is responsible to observe the following guiding principles in establishing clear roles and responsibilities:
- Establish a formal schedule of matters reserved for the Board and those delegated to Management.
 - Establish clear roles and responsibilities in discharging its fiduciary and leadership functions.
 - Formalise ethical standards through a code of conduct and ensure its compliance.
 - Ensure that the Company's strategies promote sustainability.

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- Ensure that all Board members have access to information and advice.
 - Ensure it is supported by a suitably qualified and competent company secretary.
 - Formalise, periodically review and make public its Board Charter.
- (b) The capital and resources of the Company will be allocated to those assets and activities which will enable the Company to achieve the Company Goals in a manner best serving the interests of the Shareholders as a whole.

Part 4: Board Governance Process

4.1 Role of the Board

- (a) The Board is to effectively represent and promote the interests of Shareholders with a view to add value to the Company's shares.
- (b) Having regard to its role, the Board will oversee the performance of the Management of, the Business and affairs of the Company including, in particular:
- reviewing and adopting a strategic plan for the Company, including establishing Company Goals and ensuring that the strategies are in place to achieve them;
 - establishing policies for strengthening the performance of the Company including ensuring that Management is proactively seeking to build the Business through innovation, initiative, technology, new products and the development of its business capital;
 - identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
 - succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management;
 - reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
 - deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
 - ensuring that the Company's financial statements are true and fair and conform with any applicable laws and/or regulations; and
 - ensuring that the Company adheres to high standards of ethics and corporate behaviour.

- (c) In the normal course of events, day-to-day management of the Company will be in the hands of Management and under the stewardship of the MD.
- (d) The Board will satisfy itself that the Company is achieving the Company Goals.

4.2 Board Procedures

- 4.2.1 The conduct of Directors will be consistent with their duties and responsibilities to the Company and, indirectly, to Shareholders. The Board will be disciplined in carrying out its role, with the emphasis on strategic issues and policy. Directors will always act within any limitations imposed by the Board on its activities.
- 4.2.2 Directors will use their best endeavours to attend Board meetings. Directors are expected to participate fully and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board. Directors who are unable to attend a meeting will advise the Chairman at the earliest date possible and notify/confirm his absence in writing to the Secretary.
- 4.2.3 Board papers shall be provided to Directors within a reasonable time-frame prior to the relevant meeting to enable them to familiarise on the issues/matters to be discussed and participate in an informed manner.
- 4.2.4 Board discussions will be open and constructive, recognising that genuinely held differences of opinion could bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek a consensus in the Board but may, where considered necessary, call for a vote. All discussions and their record will remain confidential unless there is a specific direction from the Board to the contrary, or disclosure is required by law. Subject to legal or regulatory requirements, the Board will decide the manner and timing of the publication of its decisions.
- 4.2.5 Executive Directors will attend Board meetings to discharge their Board responsibilities. At Board meetings, the Board's responsibilities supersede all executive responsibilities.
- 4.2.6 The Board has sole authority over its agenda and exercises this through the Chairman of the Board. Any Director may, through the Chairman, request the addition of an item to the agenda.
- 4.2.7 The Board will normally hold meetings at least four (4) times in each financial year and will hold additional meetings as the situation requires. At each meeting the Board will consider:-
 - an operational report from the Management;
 - a report on the financial performance;
 - specific proposals for capital expenditure and acquisitions;
 - major issues and opportunities for the Company; and

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- approve the quarterly financial statements for announcement to authorities.

In addition to the Board will, at intervals of not more than one (1) year:-

- Review the following year's business plan and approve the annual budget;
- approve annual financial statements, other reports to Shareholders and public announcements;
- consider and, if appropriate, declare or recommend the payment of dividends;
- review the Board composition, structure and succession;
- review the Company's audit requirements;
- review the performance of, necessity for and composition of Board committees;
- undertake Board and individual Director evaluations;
- review Directors' remuneration;
- review risk assessment policies and controls and compliance with legal and regulatory requirements; and
- settle the following year's business plan.

4.2.8 Directors are entitled to have access to all relevant Company's Information and to Management at all reasonable times.

4.2.9 Directors are expected to strictly observe confidentiality of the Company's information. Directors are refrained from making improper use of information gained through the position of director for their own interest, or their employers' interest, if applicable.

4.2.10 In setting policies, the Board will not reach specific decisions unless it has considered the general principles upon which they are founded, and in reaching other specific decisions the Board will consider the policies against which the decisions are made.

4.3 Chairman of the Board

4.3.1 The Board will appoint a Chairman from among the Directors.

4.3.2 The Directors may elect a Chairman and a Deputy Chairman of their meeting and determine the period for which they are to hold office. The Chairman or in his absence the Deputy Chairman shall preside at all meetings of the Directors. If neither a Chairman or Deputy Chairman is elected, or if at any meeting the Chairman or Deputy Chairman is not present within ten (10) minutes after the time appointed for holding the meeting, the Directors present may choose one (1) of their number to be Chairman of the meeting [*Article 122 of the AA*].

- 4.3.3 The Chairman is responsible for representing the Board to Shareholders.
- 4.3.4 The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board as set out in Part 4 of this Board Charter.
- 4.3.5 The Chairman is responsible for maintaining regular dialogue with the Board over all operational matters and will consult with the remainder of the Board promptly over any matter that gives him or her cause for major concern.
- 4.3.6 The Chairman will act as facilitator at meetings of the Board to ensure that no Directors, whether executive or non-executive, dominates discussion, that appropriate discussion takes place and that relevant opinions among Directors are forthcoming.
- 4.3.7 Subject to the AA, questions arising at any meeting of Directors shall be decided by a majority of votes, each Director having one (1) vote and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes the Chairman of the meeting shall have a second or casting votes except where only two (2) Directors are competent to vote on the question at issue, or where only the quorum is present at the meeting [*Article 123 of the AA*].

4.4 Role of Chairman of the Board

- 4.4.1 The Chairman of the Board is principally responsible for the overall functioning of the Board, which include:-
- Providing leadership to the Board, without limiting the principle of collective responsibility for Board decisions.
 - Participating in the selection of Board members and ensuring that the balance in composition is properly maintained.
 - Chairing meetings of the Board in a manner that will encourage constructive discussion and effective contribution from each Director.
 - Reviewing the minutes of meetings of the Board before meetings, to ensure that such minutes accurately reflect the Board's deliberations, and matters arising from the minutes and on which further action is required have been addressed.
 - Ensuring that the Company conducts orientation and education program for new directors.
 - Initiating, normally in conjunction with the Management, the formulation of a business plan at the beginning of each year to ensure that the Board establishes the goals it wishes to achieve and the means by which this will be carried out.
 - Working with the Board in establishing appropriate Board Committee structures and ensuring that they achieve their objectives.
 - Promoting high levels of corporate governance.

4.4.2 The Chairman acts as an informal link between the Board and Management.

The Chairman is expected to be kept informed by the Management of all important matters and make himself available to the Management.

- to be part of the control mechanism in ensuring that the Management's decisions are properly considered;
- to give assistance and advice when needed; and
- to oversee the Management's establishment of adequate control mechanism to oversee compliance responsibilities and risk mitigation.

4.4.3 The Board communicates with Shareholders at Shareholders' meetings and through the distribution of its annual reports. The Chairman will chair these meetings and inform the Shareholders on the Company's affairs.

This role calls for skills and qualities that allow and encourage Shareholders to express their opinions. The Chairman should possess the capability to summarise and unify thoughts and ideas as well as to manage the meeting effectively.

4.4.4 The Chairman also leads the role in presenting the Company's cause, whether formally or informally, to the authorities, institutional or potential investors and those having an influence on the environment in which the Company operates.

4.5 Board Committees

4.5.1 Board committees will be formed only when it is efficient or necessary to facilitate efficient decision-making.

4.5.2 Board committees will observe the same rules of conduct and procedure as the Board unless the Board determines otherwise.

4.5.3 Board committees will only speak or act for the Board when so authorised.

4.5.4 The Board has established the following Committees of the Board, each with clearly defined Term of Reference ("**TOR**") in order to enhance business and corporate efficiency and effectiveness:-

- (a) Audit Committee;
- (b) Nomination Committee; and
- (c) Remuneration Committee.

4.6 Board Composition

4.6.1 The Board should consist of individuals with diverse background and equipped with professional and technical knowledge to effectively carry out its roles as the representative of the interests of Shareholders, in setting the Company's strategy and ensuring its implementation.

- 4.6.2 The qualifications for Board membership are the ability to make sensible business decisions and recommendations, an entrepreneurial talent for contributing to the creation of Shareholders' value, the ability to see the wider picture, the ability to raise constructive queries, preferably with some experience in the industry sector, high ethical standards, sound practical sense, and commitment to furthering the interests of Shareholders and the achievement of the Company Goals.
- 4.6.3 Non-Executive Directors will be active in areas which will enable them to relate to the strategies of the Company and to make a meaningful contribution to the Board's deliberations. They will be independent of Management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.
- 4.6.4 Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next AGM of the Company when he shall retire but shall be eligible for re-election but he shall not be taken into account in determining the Directors who are to retire by rotation at that meeting [*Article 100 of the AA*].
- 4.6.5 Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election [*Article 94 of the AA*].
- 4.6.6 Only MD and Executive Directors will be engaged on service contracts. Upon the expiry of their tenure, the Board may also, with the recommendation of the Nomination Committee and if considered appropriate, appoint them as Non-Executive Director(s) until the conclusion of the next AGM, whereby they shall be eligible to offer themselves for re-election, respectively.
- 4.6.7 In the event of a MD or an Executive Director's service contract with the Company is terminated for any reason whatsoever, the Director is expected to resign from the Board.
- 4.6.8 The Board is supportive of gender diversity in the Boardroom as advocated in the MCCG 2012.

4.7 Nomination and Appointment

- 4.7.1 The appointment of a new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the Nomination Committee.
- 4.7.2 The number of Directors including a MD shall not be less than two (2) nor more than twelve (12) but in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum the continuing Directors or Director may, except in an emergency, act only for the purpose of filling up such vacancy or vacancies or of summoning a general meeting of the Company [*Article 93 of the AA*].
- 4.7.3 Unless otherwise determined by the Company in general meeting, at least two (2) directors or one-third (1/3) of the Board of Directors, whichever is higher, shall be Independent Directors. If the number of Directors is not three (3) or multiple of three (3), then the number nearest to one-third (1/3) shall be used for purposes of determining the requisite number of Independent Directors [*Article 92 of the AA*].

4.7.4 New Board members shall be briefed on the terms of appointment, their duties and obligations, and on the operations of the Group.

4.8 Tenure of Independent Director

4.8.1 The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve on the Board subject to his/her redesignation as Non-Independent Director. In the event the Director is to remain designated as an Independent Director, the Board shall first justify and obtain Shareholders' approval.

4.8.2 The Board must justify and seek Shareholders' approval in the event it wishes to retain a Board member who has served in that capacity for more than nine (9) years as an Independent Director.

4.9 Shareholdings by Board members in the Company

4.9.1 Board members may hold shares in the Company. Any transactions involving the shares of the Company, be it buying, selling or transfer to third party, Board members must strictly observe the disclosure requirements and/or provisions under the Act, Main Market Listing Requirements ("**MainLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and all other relevant legislative and regulatory requirements.

4.9.2 A list of the Directors' Dealings for the applicable financial period shall be tabled by the Secretary at every quarterly Board Meeting of the Company whereupon the Board members are obliged to verify/confirm their prevailing shareholdings and movement of shareholdings.

4.10 Directors' Remuneration

4.10.1 The Board has adopted a Remuneration Policy to set the remuneration of its MD and Executive Directors. The compensation system takes into account the performance of the MD and each Executive Director and the competitive environment in which the Group operates. The MD and Executive Directors shall not participate in deciding their own remuneration.

4.10.2 The remuneration of the Executive Directors will be based on the experience and the level of responsibilities undertaken by them. The determination of the remuneration of the Executive Directors shall be a matter of the Board as a whole with the Director concerned abstaining from deliberation and voting in respect of his/her individual remuneration.

4.11 Provision of Business or Professional Services by Directors

4.11.1 Directors shall not provide business or professional services of an ongoing nature to the Company.

4.11.2 Notwithstanding the provision of paragraph 4.11.1, the Company is at liberty to:

- engage the services of any Director having special expertise in the particular field for the purpose of a special assignment; or

- engage the services of a party related to a Director's of an organisation,

so long as the terms of engagement are competitive, clearly recorded and all legal requirements for disclosure of the engagement are properly observed.

4.12 Board Appointment in Other Companies

4.12.1 Directors are expected to devote sufficient time and attention to the affairs of the Company. Any Director is, while holding office, at liberty to accept other Board appointment(s) in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his duty as a Director of the Company.

4.12.2 Pursuant to the MCCG 2012, the Board should set out expectations on time commitment for its members and protocols for accepting new directorships in other companies. In this instance, Board members are expected to achieve at least 50% attendance of total Board Meetings in any applicable financial year with leave of absence to be appropriately notified to the Chairman of the Board and/or the Secretary, where possible, prior to the date of the Board Meeting.

4.12.3 Prior the acceptance of new Board appointment(s) in other companies, the Directors should notify the Chairman of the Board and/or the Secretary in writing. The said notification should include an indication of time that will be spent on the new appointment.

4.13 Continuing Development and Training

4.13.1 The Board shall proactively provide training programme to Directors to keep them abreast with developments in the market place pertaining to the oversight function of the Board in order to enable them to discharge their duties and responsibilities effectively.

4.13.2 All costs incurred ancillary or incidental to the training shall be borne by the Company.

4.14 The Secretary

4.14.1 The appointment and removal of the Secretary shall be a matter of the Board as a whole.

4.14.2 The Secretary is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.

4.13.3 All Directors, particularly the Chairman, have access to the advice and services of the Secretary for the purposes of the Board's affairs and the Business.

Part 5: Board-Management Relationship

5.1 MD

- 5.1.1 The Board will link the Company's governance and management functions through the MD.
- 5.1.2 All Board authority conferred on Management is delegated through the MD so that the authority and accountability of the Management is considered to be the authority and accountability of the MD in so far as the Board is concerned.
- 5.1.3 The MD is expected to keep the Board informed on all matters which may materially affect the Company and its business.
- 5.1.4 Only decisions of the Board acting as a body are binding on the MD. Decisions or instructions of individual Directors, officers or committees are not binding except in instances where specific authorisation is given by the Board.
- 5.1.5 The Directors may from time to time, appoint one (1) or more of their body to be a MD or MDs of the Company for such period and upon such terms as they may think fit at any one (1) time but if the appointment is for a fixed term, the term shall not exceed three (3) years; with power to reappoint thereafter on such terms as the Directors think fit and may from time to time (subject to the provisions of any contract between the MD and the Company) remove or dismiss him or them from office and appoint another or others in his or their place. The Directors may vest in such MD as may be appointed by them such of the powers hereby vested in the Directors generally as they may think fit [*Article 141 of the AA*].
- 5.1.6 The MD shall subject to provisions of any contract between him and the Company, be subject to the same provisions as to resignation, retirement by rotation and removal as the other Directors of the Company and if he ceases to hold the office of a Director for any cause shall ipso facto and immediately cease to be a MD [*Article 142 of the AA*].

5.2 Accountability of MD to Board

- 5.2.1 The MD is accountable to the Board for the achievement of the Company Goals and the observance of the Management Limitations.
- 5.2.2 At each of its quarterly meetings the Board should receive from or through the MD:-
- the operational and other reports and proposals referred to in paragraph 4.2.7; and
 - such assurances as the Board deems necessary to confirm that the Management Limitations are being observed.

5.3 Management Limitations

- 5.3.1 The MD is expected to act within all specific authorities delegated to him by the Board.

- 5.3.2 The MD is expected not to cause or permit any practice, activity or decision that is contrary to generally accepted good business practice or professional ethics.
- 5.3.3 The MD is expected to take into consideration the Company Goals in allocating the capital and resources of the Company.
- 5.3.4 The MD is expected not to cause or permit any action without taking into account the health, safety, environment and political consequences and their effect on long-term shareholder value.
- 5.3.5 The MD is expected not to cause or permit any action that is likely to result in financial distress of the Company.
- 5.3.6 The MD is expected to ensure the assets of the Company are adequately maintained and protected, and not unnecessarily placed at risk. In particular, the Company must be operated with a comprehensive system of internal control, and assets of funds must not be received, processed or disbursed without controls that, as a minimum, are sufficient to meet standards acceptable to the Company's external auditors.
- 5.3.7 The MD is expected not to permit the employees and any other parties working for the Company to be subject to treatment or conditions that are undignified, inequitable, unfair or unsafe.
- 5.3.8 The MD is expected not to 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.

5.4 Non-Executive Directors

- 5.4.1 The role of the Non-Executive Directors is primarily on monitoring executive authority and contributing to the development of strategy.
- 5.4.2 The role of the Non-Executive Directors can be further distinguished in the following areas of concern:-
- Strategy: Constructively challenge and contribute to the development of strategy.
 - Performance: Scrutinise the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.
 - Risk: Satisfy themselves that the financial information presented is accurate and that financial controls as well as systems of risk management are robust and defensible.
 - People: Responsible for determining appropriate levels of remuneration of the MD and Executive Directors and have a prime role in appointing, and where necessary, removing Senior Management as well as succession planning.

5.5 Independent Non-Executive Directors

- 5.5.1 Independent Non-Executive Directors are essential for protecting the interests of Shareholders and can make significant contributions to the

Company's decision making by bringing in the quality of detached impartiality. Since an Independent Non-Executive Directors has no conflict of interests in the discharge of his duties, he ought to approach any approval for a transaction or other matter that is being sought at the Board level with a watchful eye and with an inquiring mind.

5.5.2 An Independent Non-Executive Director is especially important in areas where the interests of Management, the Company and/ or the Shareholders diverge, such as executive performance and remuneration, related party transactions and audit issues.

5.5.3 Independent Non-Executive Director is considered an individual who:-

- is an Independent Director as defined under Paragraph 1.01 of the MainLR.
- declared his independence vide Declaration of Independency to the Nomination Committee.
- is approved by Shareholders in a general meeting to be retained as an Independent Director where he has served in that position for more than nine (9) years. (see paragraph 5.5.4 below)

In the event that even if a person does not fall within any of the disqualifying indicators enumerated out in Paragraph 1.01 of the MainLR, both the Director and the Board must give effect to the spirit, intention and purpose of the definition of an Independent Director. There must be a conscious application of the test of whether the said Director is able to exercise independent judgment and act in the best interests of the Company.

The attributes of collegial yet independent decision-making that must be vested in the Independent Non-Executive Directors will be determined in part by the character of the individual and that of the whole ethos of the Board.

5.5.4 The tenure of an Independent Non-Executive Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Non-Executive Director may continue to serve on the Board subject to his re-designation as Non-Executive Director. In the event the Director were to remain designated as an Independent Non-Executive Director, the Board shall firstly to provide justification, upon the recommendation of the Nomination Committee and thereafter to obtain the relevant Shareholders' approval.

5.6 Senior Independent Non-Executive Director

5.6.1 There shall be an Independent Non-Executive Director of the Board be designated as Senior Independent Non-Executive Director to whom concerns may be conveyed.

5.6.2 A designated email address shall be made available in the Company's Corporate Website for all shareholders to access/contact the Senior Independent Non-Executive Director.

5.6.3 The responsibilities of the Senior Independent Non-Executive Director include:-

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- to serve as a designated contact person for consultation and direct communication with Shareholders on areas that cannot be resolved through the normal channels of contact with the Company, at the expense of the Company.
- to seek assistance from the MD/Executive Director and/or any senior Management of the Company, if so required, to resolve the issues raised by the Shareholders to him.
- to seek advice from external professionals on a specific subject matter raised to him by the Shareholders, at the expense of the Company, if so required.
- to report to the Board on any pertinent issues raised by the Shareholders that warrants the Board's attention and/or further action.
- to ensure all Independent Non-Executive Directors have an opportunity to provide input on the agenda and advise the Chairman on the quality, quantity and timeliness of the information submitted by management that is necessary or appropriate for the Independent Non-Executive Directors to perform their duties effectively;
- to serve as Chair of the Nomination Committee pursuant to Recommendation 2.1 of MCCG 2012.

Part 6: Board-Shareholders Relationship

6.1 Communication

- The Shareholders must be informed of all material business matters affecting the Company and the Board should adopt an open and transparent policy in respect of its relationship with its Shareholders and investors.
- The Board ensures timely release of financial results on a quarterly basis to provide the Shareholders with an overview of the Company's performance and operations.
- All relevant press releases should be vetted through by the MD and/or the Secretary to ensure that information that has yet to release to Bursa Securities is not released to the press beforehand.
- The Board maintains an ongoing communication programme to ensure that Shareholders are appropriately informed of major developments within the Company on a timely basis through announcements made to Bursa Securities.
- The Board ensures that the views of the majority Shareholders are considered in its decision making. In addition, the minorities' interest should also be adequately protected.
- The Board should ensure the Company leverages on information technology for effective corporate communication and the Company's website to provide easy access to corporate information pertaining to the Company and its activities to the general public.

Part 7: Stakeholders Relationship

7.1 Stakeholders

- In the course of pursuing the Company Goals, the Board recognises that no company can exist by maximising Shareholders' value alone. In this regard, the needs and interests of other Stakeholders are also taken into consideration. The Board must balance and manage the economic impact of the Stakeholders' conflicting interests on the Shareholders' value. The Board affirms its commitment to workplace safety and health.

7.2 Corporate Responsibility

As a socially-responsible corporate citizen, the Board is committed to social and environment sustainability. This fundamental Corporate Responsibility is advocated by the Board and intensively nurtured and practiced by Management with firm commitment to three (3) major Stakeholders:-

(a) Employees

The Board acknowledges that the employees are invaluable assets of the Company and play a vital role in achieving the Company Goals.

The Board is committed to ensure the Management to build a company where employees are happy to work, confident and take pride as part of the Company.

(b) Customer

The Board is committed to ensure the Management place the highest regards in relation to the safety and quality of products. Management to improve its products and services in order to achieve the highest customer satisfaction.

(c) Environment

The Board is committed to ensure the Management preserve and enhance the society's quality of life by improving the Company's activities in order to sustain the environment in all areas of the Company's operations.

Part 8: Commitment on Corporate Governance

The Board is committed to uphold and implement the highest standards of corporate governance and best practices throughout its businesses.

Part 9: Application of Board Charter

9.1 The principles set out in this Board Charter are:-

- (a) Kept under review and updated as practices on CG and further guidelines on CG or MainLR are issued by the relevant regulatory authority;
- (b) Applied in practice having regard to their spirit and general principles rather than to the letter alone; and
- (c) Summarised in the Annual Report of the Company as part of the narrative statements by the Directors on CG.

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- 9.2 The Board endeavour to comply at all times with the principles and practices as set out in this Board Charter.
- 9.3 The Board will review this Board Charter from time to time and make any necessary amendments to ensure they remain consistent with the Board's objectives, current law and practices.

History of Board Charter

Date	Description
31 July 2014	Establishment of the Board Charter

This Board Charter is approved and adopted by the Board of Directors of **PCCS Group Berhad** and shall be effective from 31 July 2014.