



**AURELIUS TECHNOLOGIES BERHAD**  
(Company Registration No. 202101005015 (1405314-D))  
(Incorporated in Malaysia)

## **BOARD CHARTER**

### **1. OVERVIEW**

The Board of Directors (“**Board**”) of Aurelius Technologies Berhad (“**AT**” or “**Company**”) is committed to safeguarding the interests of its stakeholders and recognises the importance of corporate governance in achieving this objective. The Board knows that transparent disclosure of its organisational and management structure as well as other aspects of its corporate governance helps stakeholders to assess the quality of the Company and its management and assists investors in their investment decisions.

The Board is committed to ensuring that the Company’s corporate governance is in line with the principles and best practices set out in the Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia on 28 April 2021 (“**MCCG**”) and the Main Market Listing Requirements (“**Listing Requirements**”), including the guidance contained in the Corporate Governance Guide (4th Edition) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). The Board further acknowledges the recommended best practices and the adopted alternative practices set out in the MCCG and continues to evaluate the status of the practices and the adopted alternatives.

### **2. PURPOSE**

This Board Charter sets out the duties, functions, roles and responsibilities of the Directors in accordance with good corporate governance practice set out in policies, rules and regulations issued by the regulatory bodies, for the general administration of the Company and its subsidiaries (collectively referred to as the “**Group**”).

This Board Charter is not an “all inclusive” document and should be read as a broad expression of principles.

### **3. COMPOSITION AND BOARD BALANCE**

The size of the Board will follow the guidelines set by:

- The Company’s Constitution; and
- Listing Requirements.

The Board shall determine the appropriate size of the Board and in determining the size, consideration shall be given to enable an efficient and effective Board deliberation during meetings and the size of the Board shall commensurate with the complexity, scope and operations of the Company.

The size and composition of the Board shall be reviewed from time to time to reflect Company’s requirements and to facilitate effective decision making.

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On the appointment of new Directors to the Board, the Company's Fit and Proper Policy served as a vital component of the governance process in determining the quality, integrity, credibility and competencies of the Board. New appointments to the Board are only made after consultation with the Nomination Committee, where Nomination Committee is responsible for assessing the candidates based on the criteria set in the Company's Fit and Proper Policy. In making its recommendation, the Nomination Committee will also consider the required mix of skills, experience, gender diversity and other qualities, where applicable.

The Board shall comprise at least 30% or 1 woman director [*Practice 5.9 of MCCG and Listing Requirements*] and majority of Independent Non-Executive Directors to provide check and balance and effective oversight of management [*Practice 5.2 & Guidance to Practice 5.2 of MCCG*].

A Director must not hold more than five (5) directorships in listed issuers to ensure his/her time commitment and resources will not be affected in discharging his/her duties effectively.

The role of Independent Directors cannot be under-emphasised in providing independent judgment and ensuring all issues proposed by the Executive Directors and management are fully discussed and examined to take account of long-term interests of shareholders and stakeholders.

The Board shall be under the leadership of the Chairperson who is elected by the Board. The Chairperson should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee [*Practice 1.4 of MCCG*]. The positions of Chairperson and CEO shall be held by two different individuals to ensure separation of power, promotes accountability and facilitates the division of responsibilities. Chairperson is responsible for leading the Board in its collective oversight of management, while CEO focuses on the business and day-to-day management of the Group [*Practice 1.3 & Guidance to Practice 1.3 of MCCG*].

The tenure of an Independent Director ("ID") shall not exceed a consecutive service of nine (9) years or a cumulative term of nine (9) years with intervals, since appointment as an ID. The ID may continue to serve on the Board beyond the ninth (9<sup>th</sup>) year tenure provided the ID is re-designated as a Non-Independent Non-Executive Director. Where the Board is of the view that the ID is required to continue in office as an ID beyond the ninth (9<sup>th</sup>) year tenure, it must justify and seek shareholders' approval at every Annual General Meeting through a two-tier voting process [*Practice 5.3 of MCCG*].

#### **4. BOARD SECRETARY**

The Board shall be supported by suitably qualified and competent company secretary(ies) to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices. The company secretary(ies) shall possess the knowledge and experience to carry out her functions effectively, which may include proficiency in company and securities law, finance, governance, and other areas of compliance such as Listing Requirements. The company secretary(ies) should also diligently undertake continuous professional development to keep abreast of relevant corporate governance and regulatory requirements [*Practice 1.5 & Guidance to Practice 1.5 of MCCG*].

## 5. ROLES AND RESPONSIBILITIES

### 5.1 Role and Responsibilities of the Board

The Board takes full responsibility for the performance of the Group and guides the Group towards achieving its short and long-term objectives, setting corporate strategies for growth and new business development while providing advice and direction to the Management to enable the Group to achieve its corporate goals and objectives.

Directors, as stewards of the Group, shall objectively discharge their duties and responsibilities at all times as fiduciaries in the best interest of the shareholders and other stakeholders. As such, every Director is required to keep abreast of his/her responsibilities as a Director and of the conduct, business activities and development of the Group [*Guidance to Practice 1.1 of MCCG*].

In discharging its responsibilities, the Board shall undertake, amongst others, the following responsibilities:

- (a) Understand shareholders' expectations and contribute to the development of strategies of the Group in their best interest to enhance shareholders' value including taking into consideration the integration of strategies on environmental, social and governance [*Practice 4.1 & Guidance to Practice 4.1 of MCCG*];
- (b) Oversee the conduct of the Group's businesses to evaluate whether the businesses are properly managed;
- (c) Identify the principal risks and key performance indicators of the Group's businesses, including sustainability risks, and ensuring that appropriate systems are implemented, and steps are taken to manage these risks;
- (d) Review the adequacy and the integrity of the Group's risk management framework, internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- (e) Establish an effective risk management and internal control framework, determine the Group's level of risk tolerance and actively identify, assess and monitor key business risks [*Practice 10.1 & Guidance to Practice 10.1 of MCCG*];
- (f) Develop succession plan for Board members and key senior management;
- (g) Review and approve annual budget and projection submitted by management;
- (h) Ensure that financial statements are fairly stated and otherwise conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements and approve financial statements for declaration to Bursa Securities on quarterly and annual basis;
- (i) Oversee corporate governance and compliance matters;
- (j) Delegate the above-mentioned matters to the relevant committee or personnel where appropriate;
- (k) Adopt performance measures to monitor implementation and performance of the strategy, policies, plans, legal and fiduciary obligations that affect the Group's business;
- (l) Develop and implement an investor relations programme or shareholder communication policy for the Group;
- (m) Set corporate values and clear lines of responsibility and accountability that are communicated throughout the Group;
- (n) Ensure that the operations of the Group are conducted prudently within the framework of laws and policies;

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- (o) Establish and review the Code of Conduct and Ethics, and together with management implements its policies and procedures, which include measures in managing conflict of interest, preventing the abuse of power, corruption, insider trading and money laundering to ensure high standards of integrity, ethics and corporate behavior in the conduct of business. [*Practice 3.1 & Guidance to Practice 3.1 of MCCG*]; and
- (p) Establish, review and together with management implements Policies and Procedures on Whistleblowing [*Practice 3.2 of MCCG*]

The Board is the ultimate decision maker of the Company, with the exception of matters requiring the approval of shareholders.

The Board sets the strategic direction and vision of the Company with the express assistance of key senior management of the Company. The Board is fully responsible in its duties in leading, governing and monitoring the performance of the Company and ensuring management is able to execute its functions effectively.

The Board should have access to all information pertaining to the Company. Management should supply accurate and complete information to the Board in a timely manner to enable the Board to discharge its duties effectively.

The Board should be able to consult advisers and, when necessary, to seek independent professional advice at the Company's expense through an agreed procedure.

A Schedule of Matters reserved for collective decision of the Board is provided in Appendix A.

## **5.2 Role and Responsibilities of the Chairperson**

The Chairperson is responsible for the overall leadership and efficient functioning of the Board. The Chairperson shall have the following duties:

- (a) Instilling good corporate governance practices [*Practice 1.2 of MCCG*] and provides leadership to the Board ensuring Directors contribute effectively;
- (b) Ensure Board members receive accurate, timely and clear information [*Guidance to Practice 1.2 of MCCG*] and are well-informed about company and industry developments;
- (c) Ensure all issues in the agenda are covered in meetings;
- (d) Ensure information to facilitate decision making is delivered to Board members on a timely basis;
- (e) Discussion to ensure proper exchange of information and deliberation of issues to enable proper decision making;
- (f) Encouraging active participation and facilitate constructive relations between executive and non-executive Directors;
- (g) Ensure effective, interactive and robust discussion including communication with stakeholders and that their views are communicated to the Board and key senior management; and
- (h) Monitor workings and conduct of the Board and act on results of Board performance evaluation by recognizing strengths and addressing weaknesses of the Board.

### **5.3 Role and Responsibilities of the Chief Executive Officer (“CEO”)**

The CEO is responsible for the daily management, operations and administration of the Company. The CEO shall have the following duties:

- (a) Oversees day to day operations of the Group;
- (b) Develops strategies of the Group based on effective risk management controls;
- (c) Ensure a culture of good corporate governance and accurate reporting;
- (d) Provides effective leadership to the Company;
- (e) Acts as conduit between Board and management in ensuring proper management and corporate governance; and
- (f) Implements policies, strategies and decisions adopted by the Board and is accountable to Board for actions undertaken.

In the absence of the CEO, any of the Executive Director who is fully acquainted with the running of Group’s day to day affairs shall be the person directly responsible for the overall running of the Group.

### **5.4 Role and Responsibilities of the Chief Financial Officer (“CFO”)**

The CFO is officer of the Company that has primary responsibility for managing the Company’s finances, including financial planning, management of financial risks, record-keeping, and financial reporting. The CFO shall have the following duties:

- (a) Assist in performing all tasks necessary to achieve the organisation’s mission and help execute staff succession and growth plans;
- (b) Work with the CEO on the strategic vision including fostering and cultivating stakeholder relationships on city, state, and national levels, as well as assisting in the development and negotiation of contracts;
- (c) Participate in developing new business, specifically assist the CEO in identifying new funding opportunities, the drafting of prospective programmatic budgets, and determining cost effectiveness of prospective service delivery;
- (d) Provide the CEO with an operating budget and work with the CEO to ensure programmatic success through cost analysis support, and compliance with all contractual and programmatic requirements;
- (e) Oversee the management and coordination of all financial reporting activities for the Group;
- (f) Attend Board and Board Committee meetings including being the lead staff on the Audit Committee.

### **5.5 Role and Responsibilities of the Non-Executive Director (“NED”)**

The NED is responsible for providing [oversight](#), expertise, knowledge, skills and provide constructive criticism should the need arises. The NED shall have the following duties:

- (a) Constructively challenges and contributes to development of the Group’s strategy, policy making and direction;
- (b) Ensure that adequate framework and control systems are in place to safeguard interests of the Group; and
- (c) Oversees the performance of the management in meeting agreed objectives and monitor the reporting of performance.

## **5.6 Responsibilities of the ID**

The ID shall have the following additional duties:

- (a) Provides the necessary independence and objectivity to the Board;
- (b) Provides the relevant check and balance; and
- (c) Mitigates any conflict of interest situation in policy making.

## **6. ROLES OF BOARD COMMITTEES**

The Board may from time to time establish Committees as it considers appropriate to assist in carrying out its duties and responsibilities effectively. The Board have established the following Committees to assist the Board in discharging its duties and responsibilities:

- (a) Audit Committee;
- (b) Nomination Committee;
- (c) Remuneration Committee;
- (d) Risk Management Committee; and
- (e) Employees' Share Scheme Committee.

The committees shall operate under clearly defined terms of reference/by-laws. The committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their terms of reference/by-laws. The Chairperson of the respective committees' reports to the Board on the outcome of the committee meetings and the minutes will be included in the Board papers for Board's notification.

Each committee has a Term of References/By-Laws and has been granted certain delegations.

### **6.1 Audit Committee**

The Committee shall be the focal point for communication between external auditors, internal auditors, Directors and the management on matters in connection with financial accounting, reporting and controls. It shall also ensure that accounting policies and practices are adhered to by the Company and its subsidiaries.

The Committee members shall comprise at least three (3) members, all of whom must be Non-Executive Directors, with a majority of them being independent. The Chairperson of the Committee shall not be the Chairperson of the Board [*Practice 9.1 of MCCG*]. Chairperson and alternate director shall not be appointed as a member of the Committee.

The Committee shall meet on a quarterly basis to carry out its functions. More meetings may be called as the need arises.

The CFO, Internal Auditors and External Auditors should normally attend the meetings. Other Board Members and Management may attend any particular meeting only at the Committee's invitation.

## **6.2 Nomination Committee**

The Committee members shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members, all of whom must be Non-Executive Directors, with a majority of them being independent.

The Chairperson of the Committee shall be an Independent Director appointed by the Board and is not the Chairperson of the Board [*Practice 5.8 of MCCG*]. Chairperson of the Board shall not be appointed as member(s) of the Committee [*Practice 1.4 of MCCG*].

## **6.3 Remuneration Committee**

The Committee members shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members, all of whom must be Non-Executive Directors, with a majority of them being independent.

The Chairperson of the Committee shall be an Independent Director appointed by the Board and is not the Chairperson of the Board. Chairperson of the Board shall not be appointed as member(s) of the Committee [*Practice 1.4 of MCCG*].

## **6.4 Risk Management Committee**

The Committee members shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members with a majority of them being Independent Non-Executive Directors.

The Chairperson of the Committee shall be appointed by the Board.

## **6.5 Employees' Share Scheme Committee**

The Committee members shall be appointed by the Board and shall consist of Directors and/or senior management of the Group, to implement and administer the scheme in accordance with the By-Laws.

## **7. BOARD MEETINGS**

The Board shall meet at least four (4) times a year at quarterly intervals, with additional meetings to be convened when urgent and important decisions are to be made between the scheduled meetings. The Board deliberating on a variety of matters, including the quarterly financial results, annual audited financial statements, corporate proposal and other matters of the Company and Group during the meeting.

Board meetings shall be called with a minimum of seven (7) working days' notice. The notice can be shorter if the Chairperson deems it acceptable for practicable or urgent reasons.

In order to allow sufficient time for better deliberation of the meeting, Board meeting papers and agenda are to be circulated within a reasonable period of time before the actual meeting.

The quorum necessary for the transaction of business of the Directors shall be two (2).

The Company Secretary shall attend every Board meeting and record the proceedings/ deliberations in the statutory record, i.e. minutes of meeting. The draft minutes of meeting shall be circulated in a timely manner and approved at the next Board meeting [*Practice 1.6 of MCCG*].

#### **8. BOARD AND COMMITTEE EVALUATION**

The Board shall perform a self-evaluation annually to determine its effectiveness and such evaluation process shall cover the review of the performance of each individual Board member including assessment of the independence of its ID [*Practice 6.1 of MCCG*]. The Board will also review self-evaluations of the Board Committees and consider appropriately any recommendations arising out of such evaluation. While the evaluation is a responsibility of the entire Board, it will be organised and assisted by the Nomination Committee.

#### **9. DIRECTORS' TRAINING AND CONTINUING EDUCATION PROGRAMME**

The Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programme. This enable the Directors to discharge their duties effectively and sustain active participation in the Board deliberations.

The Directors are required to undergo the mandatory accreditation program as per the Listing Requirements. In addition, the Board shall ensure there is continuing education, i.e. training programs, for each Director, which may be determined by the Nomination Committee. The Board shall ensure all Directors attend continuing education for each financial year and disclose the training attended by each Director in the Annual Report.

#### **10. REMUNERATION OF DIRECTORS**

The remuneration of Directors will be formulated to be competitive and realistic; emphasis being placed on performance and calibre, with aims to attract, motivate and retain Directors with the relevant experience, expertise and quality needed to assist in managing the Group effectively.

For Executive Directors, the remuneration packages link rewards to corporate and individual performance whilst for the Non-Executive Directors, the level of remuneration is linked to their experience and level of responsibilities undertaken.

The Remuneration Committee will make recommendations to the Board after review the remuneration package for the Director. Details of the Directors' remuneration in aggregate for each financial year-end will be disclosed in the Company's Annual Report as per the Listing Requirements.

The individuals concerned should abstain from discussing their own remuneration.

#### **11. DECLARATION OF INTEREST/CONFLICT OF INTEREST**

In accordance with the Act, Directors are under duty and initiative to declare external business interest which may directly or indirectly be in conflict of interest with the Group and the declaration shall be subject to Board deliberations.



Directors are required to take reasonable steps to avoid or resolve actual or potential conflict of interest situation with the Group. In the event of occurrence of conflict of interest, the Director shall excuse himself from deliberations or voting in respect of those interest.

Directors are expected to advise the Company Secretary on any proposed Board appointment to other companies as soon as possible. Directors cannot be appointed to any positions or be engaged with any competitor to the Group.

## **12. COMMUNICATION WITH INVESTORS AND STAKEHOLDERS**

The Board shall maintain an effective communication policy that enables both the Board and Management to have effective, transparent and regular communication with shareholders, stakeholders and the general public.

The Board shall ensure timely and continuing corporate disclosures in accordance with the Listing Requirements, as well as taking into account the investors' need for timely release of price-sensitive information such as financial performance results and statement of financial position, material acquisitions and disposals, significant corporate proposals and other significant corporate events.

The Board shall maintain the following communication channels with its shareholders which include but is not limited to:

- (a) Annual General Meeting (“AGM”);
- (b) Meeting of members to be held as and when required;
- (c) Annual report; and
- (d) Group's website.

The Board will ensure that the AGMs and meetings of members are conducted in an efficient manner and serves as a crucial mechanism in active shareholder communications, including to consider leverage on technology to facilitate electronic voting and remote shareholder participation. Key ingredients behind this include the supply of comprehensive timely information to shareholders and the encouragement for their active participation, including questions and answers session, in the AGMs and meetings of members. The Chairperson and other Directors attending the AGMs and meetings of members will be available to answer any questions.

The minutes of general meeting shall be circulated to shareholders no later than 30 business days after the completion of the general meeting [*Practice 13.6 of MCCG*].

## **13. CODE OF CONDUCT AND CONFLICTS OF INTEREST**

The Board should ensure that they conduct their affairs with a high degree of integrity, taking note of applicable laws, codes and regulations. A member of the Board must not take any benefit from any projects or investments which are managed by the Company or promoted to its customers or potential customers. The Director must not receive any commission, fees, shares/consideration in kind or other remuneration or incentives in respect of the performance of the project/investment.

Director shall declare to the Board any personal interest, whether direct or indirect (of 'connected persons'), he may have in matters brought before the Board. This declaration shall be recorded in the minutes and the interested Director shall not participate in the debates or voting on the resolutions to be adopted in this respect.

Any decisions to enter into transactions, under which the Company's Directors, would have conflicts of interest that are material, shall be formally and unanimously approved by the full Board. Directors must inform the entire Board of (potential) conflicts of interest in their activities with, and commitments to other organisations as they arise and abstain from voting on the matter. This disclosure must include all material facts in the case of a contract or transaction involving the Director.

**14. REVIEW AND REVISION OF THE BOARD CHARTER**

This Board Charter will be reviewed periodically or as and when required by the Board.

**15. PUBLICATION OF THE BOARD CHARTER**

This Board Charter will be available on the Company's website at <https://www.atechgroup.com.my/>.

This Board Charter was approved and adopted by the Board on 18 June 2021, and was last reviewed by the Board on 29 September 2022.

## **SCHEDULE OF MATTERS RESERVED FOR THE BOARD**

The Board is responsible for the stewardship of the Group's business and affairs, setting the Group's long-term strategic direction taking into account sustainability and stakeholders' interest, approving and adopting strategic plans, safeguarding the proper organization of the business and overseeing the management of its day-to-day operations with the objective of creating long-term shareholders' value.

The following summarises the list of matters reserved for the Board's deliberation and decision:

### **Conduct of Board**

- Appointment and resignation/removal of Directors based on recommendations of the Nomination Committee.
- Appointment, resignation and removal of Company Secretaries.
- Appointment of Board committees and members (based on the recommendations by the Nomination Committee for the Audit and Remuneration Committees).
- Approval of Terms of References/By-Laws of Board committees and amendments to such terms.
- Appointment of senior executive positions, including that of the CEO and his/her duties and the continuation (or not) of their service.

### **Remuneration**

- Approval of the remuneration arrangements for Non-Executive Directors.
- Approval of the remuneration structure and policy for the CEO and where appropriate, key executives based upon recommendations of the Remuneration Committee.
- Approval of remuneration packages for the CEO and where appropriate, senior executives based upon recommendations of the Remuneration Committee.
- Approval of any proposed new share issuance scheme, share grant scheme and / or amendments to the existing scheme, subject to other approvals that may be required by law or regulations.

### **Operational**

- Approval of business strategy and group operational plan and budget.
- On going review of performance against business strategy and group operational plan, including identifying and monitoring of key risks and risk management policies and actions.
- Approval of capital expenditure above RM2,000,000 or as may be determined from time to time.
- Approval of investment or divestment in a company/business/property/undertaking.
- Approval of investment or divestment of a capital project which represents a significant diversification from the existing business activities.
- Approval of changes in the major activities of the Company or Group.
- Approval of treasury policies and bank mandate.
- Setting or variation of the authority level of the CEO.

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- Approval of interim and annual financial statements after taking into consideration the recommendations of the Audit Committee.
- Approval for the release of financial announcements.
- Approval of the annual Directors' Report and Statutory Accounts.
- Approval of interim dividends, the recommendation of final dividends and the making of any other distribution.
- Adoption of accounting policies after taking into consideration the recommendations of the Audit Committee.
- Approval of corporate policies and procedures after review by the CEO and senior executive(s) where appropriate.
- Review the effectiveness of the Group's system of internal control. This function is delegated to the Audit Committee which will in turn report to the Board on its findings.

**Other Matters to consider including:**

- The granting of powers of attorney by the Company.
- The entering into of any indemnities or guarantees.
- Recommendations for the alteration of the Company's constitution.
- Alteration of the accounting reference date, registered office and name of the Company.
- Purchase of own shares by the Company.
- Issue of any debt instruments.
- Substantial charitable or other contributions.
- Scheme of reconstruction or restructuring.
- Any other significant business decision.
- Any other matter requiring the convening of a meeting of members or any class of members.