

**NETX HOLDINGS BERHAD**  
**Company Registration No. 20001030834 (533441-W)**

**Board Charter**

**1. Board Structure**

- The number of directors shall not be less than 2 nor more than 12 as set out in the Company's Constitution.
- In accordance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company must ensure that at least:
  - (a) 2 directors or 1/3 of the Board, whichever is the higher, are independent directors; and
  - (b) 1 director of the Company is a woman.
- Pursuant to the Company's Constitution, one-third (1/3) of the Directors or the number nearest to one-third (1/3) shall retire from office at each Annual General Meeting. A retiring Director is eligible for re-appointment. Any new or additional Director appointed by the Board during the year shall hold office until the next Annual General Meeting and shall then be eligible for re-election. The election of each Director is voted separately.
- The tenure of an independent director should not exceed a cumulative term of 9 years. Upon completion of 9 years, an independent director may continue to serve on the Board subject to the directors' re-designation as a non-independent director. In the event the Board intends to retain such director as Independent Director after the latter has served a cumulative term of 9 years, the Board must justify the decision and seek annual shareholders' approval through a two-tier voting process. For the Board to justify and seek shareholders' approval for retaining a person who has served in that capacity for more than 9 years as an independent director, the Nominating and Remuneration Committee/Board must conduct a rigorous review to determine whether the Director is independent in character and judgment, taking into account the need for progressive refreshing of the Board.

**2. Roles and Responsibilities of Board**

a. Role of Board

The functions of the Board are to:

- Set the Group's strategy, performance target and long term goals of the business and ensure that resources are available to meet its objective.
- Review the Group's progress against its strategy, performance target and long term goals.
- Identify principal risks and ensure the implementation of appropriate systems to manage these risks.

- Review the adequacy and integrity of the Group's internal control systems including compliance with applicable laws, regulations, rules, directives and guidelines.
- Establish such committees, policies and procedures to effectively discharge the Board's roles and responsibilities.
- Review financial reporting processes and financial position.

b. Role of Chairman/Deputy Chairman

The Chairman is responsible to:

- Ensure the integrity and effectiveness of the governance processes of the Board.
- Ensure adequate information to facilitate decision making is delivered to the Board on timely manner.
- Facilitate all Board meetings and general meetings and ensure the appropriate level of interaction among members.
- Ensure a balance composition of skills, knowledge and experience within the Board.

c. Role of Executive Director

The Executive Director is responsible to:

- Develop and recommend to the Board the long-term strategy and vision of the Company.
- Develop and recommend to the Board the annual business plans, budgets, actions plans and policies.
- Ensure management of day-to-day business affairs, continuous improvement and development, implementation and achievement of corporate policies and strategies sanctioned by the Board.
- Ensure that the Company has an effective management team and structure, management development program and succession plans.
- Ensure that effective internal controls and governance measures are deployed.
- Keep Board fully informed of all important aspects of the Group's operations and ensuring information is distributed to the Board members.
- Develop and maintain effective relations with significant external agencies such as regulatory bodies, government agencies, investing public and other trade associations and institutions.
- Serve as chief spokesperson of the Company and Group.

d. Role of Board Committees

The roles and responsibilities of Audit and Risk Management Committee and Nominating and Remuneration Committee are set out in the terms of reference of each Committee which are available on the Company's website at [www.netx.com.my](http://www.netx.com.my).

**3. Board Duties and Processes**

The Board meets at least 4 times every year based upon a schedule set on yearly basis.

Apart from the pre-scheduled Board meetings, the Board may for the purpose of urgent matters, convenes ad-hoc Board meetings at any time during the year.

The Board meeting may be held and conducted through the telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly.

The quorum necessary for the transaction of business of the Directors shall be fixed by the Directors from time to time and unless so fixed, the quorum shall comprise two (2) Directors.

Questions arising at any Board meeting shall be decided by a majority of votes, each Director having one vote and in case of an equality of votes, the Chairman or Deputy Chairman shall have a second or casting vote except when only two Directors are present and form a quorum or only two are competent to vote on the question at issue, the Chairman shall not have a casting vote.

A resolution in writing signed by a majority of the Directors for the time being entitled to receive notice of a meeting of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held.

The Directors shall have unrestricted access to the management and to all Company's information, documents, records and property as well as the independent professional advice, both inside and outside the Company, as and when they consider necessary, in order for them to properly perform their duties. The Directors may seek independent professional advice (including but not limited to legal, accounting and financial advice) at the Company's expense on any matter connected with the discharge of his or her responsibilities, in accordance with the procedures and subject to the conditions set out below:

- (a) The Directors must seek the prior approval of the Chairman (or Deputy Chairman / Senior Independent Director / Chairman of Audit & Risk Management Committee as appropriate having regard to the relevant circumstances);
- (b) In seeking such prior approval, the Directors must provide details of:
  - the nature of and reasons for the independent professional advice to be sought;
  - the likely cost of obtaining the independent professional advice; and
  - details of the independent adviser the Directors proposes to instruct.

- (c) Where practicable and feasible, the Directors should obtain at least 2 quotations from different independent adviser for comparison and the Board's consideration.
- (d) The findings / reports of such professional advice shall be made available to all Board members as appropriate, thereafter.
- (e) The approval of the Chairman (or Deputy Chairman / Senior Independent Director / Chairman of Audit & Risk Management Committee as appropriate having regard to the relevant circumstances) must not be unreasonably withheld.

The Directors must observe the provisions of the ACE Market Listing Requirements, Company's Constitution and all relevant legal and regulatory requirements.

The Directors remain committed to undergoing continuing education training programmes to upgrade and enhance their business acumen and professionalism in discharging their duties to the Group.

#### **4. Review of Board Charter**

The Board Charter will be reviewed by the Board from time to time and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

The Board Charter is made available for reference in the Company's website at [www.netx.com.my](http://www.netx.com.my).