

**Perusahaan Sadur Timah Malaysia
(Perstima) Berhad**
(Company No. 49971-D)
(Incorporated in Malaysia)

Board Charter

Introduction

The Board of Directors ("Board") is committed to ensure that the high standards of corporate governance are observed throughout the Group in order to achieve the highest standard of accountability, transparency and integrity with the objective of safeguarding shareholders' investment and ultimately enhancing shareholders' value.

The Board of Directors (the "Board") fully support all eight (8) principles of The New Malaysian Code on Corporate Governance 2012 ("the Code") and Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers, which the Company will endeavor to adopt in making good corporate governance an integral part of its business dealings and culture. The Board is committed to ensuring that the highest standards of corporate governance, as embodied in the Code, are practiced throughout Perstima Berhad (the "Company") and its subsidiaries ("the Group").

Thus, in the opinion of The Board of Directors (the "Board"), the compilation of Board of Director Policies are drawn up in pursuant to the listing requirements set forth by Bursa Malaysia Securities Berhad (the "Bursa Securities") as to comply with the disclosure requirements required under the Main Market and Ace Market Listing Requirements (the "LR").

1.0 The Board

The Board of Directors is nominated by the shareholders and holds the ultimate decision making authority, except for matters reserved by law or by the Company's Articles of Association to the shareholders. Formal processes and structures are in place to assist the Board in carrying out its responsibilities and its decisions are normally taken as a whole.

The Board oversees the business affairs of the Group. It approves strategic plans, key business initiatives as well as major investment and funding decisions. It also reviews financial performance, determines compensation and succession plans for senior management and ensures adequate internal controls. These actions are carried out either directly by the Board or through the Board Committees.

The role, composition and responsibilities of the Board embodying the principles of the Code are set out in the Board Charter as below:-

1.1 Board of Directors Statement

The members of the Board of Directors (the "**Board**") of **Perusahaan Sadur Timah Malaysia (Perstima Berhad)** (the "**Company**") have the duty to supervise the management of the business and affairs of the Company. It has the statutory authority and obligation to protect and enhance the assets of the Company in the interest of all shareholders.

The Board, directly and through its committees and the chair of the Board (the "**Chair**"), shall provide direction to senior management, generally through the Managing Director (the "**MD**"), to pursue the best interest of the Company. The best interest of the Company and its shareholders must be paramount at all times.

The involvement and commitment of Directors is evidenced by regular Board and Committee meeting attendance, preparation, and active participation in setting goals and requiring performance in the interest of shareholders.

1.2 Composition

1.2.1 General

The composition and organization of the Board, including the number, qualifications and remuneration of directors; the number of Board meetings; quorum requirements; meeting procedures; and notices of meetings are governed by applicable laws, rules and regulations and Articles and By-laws of the Company.

Each director must have the understanding of the Company's principal operational and financial objectives, plans and strategies, and financial position and performance. Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially interfere with, or be incompatible with, Board membership. Directors, who experience a significant change in their personal circumstances, including a change in their principal occupation, are expected to promptly advise the chair of the Corporate Governance and Nominating Committee.

1.2.2 Chair

The Chair of the Board shall be an independent director.

1.3 Meetings and Resources

The time at which and place where the meetings of the Board shall be held and the calling of the meetings and procedure in all things shall be determined by the Board in accordance with the Company articles, by laws and applicable laws.

1.3.1 Meeting Participation

Each director is encouraged to use his or her best efforts to attend, in person or via tele or video-conference all meetings of the Board and the committees of the Board of which such director is a member. Directors will be expected to have read and considered the materials sent to them in advance of each meeting and to actively participate in such meetings.

Where a Director's absence from a meeting is unavoidable, the Director should, as soon as practicable after the meeting, contact the Board Chair, the **MD**, or the Corporate Secretary for a briefing on the substantive elements of the meeting.

1.3.2 Agenda & Meeting Materials

The agenda for each Board meeting shall be established by the **MD** and the Board Chair, taking into account suggestions from other members of the Board. Meeting materials and information shall be distributed in advance of each meeting so as to provide adequate time for review.

1.3.3 Service on Other Boards

Directors may serve on the boards of other companies so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Chair in writing in advance of accepting an invitation to serve on the board of another public company.

1.3.4 Access to Employees and Outside Advisors

The Board shall have unrestricted access to employees of the Company, and its subsidiaries. The Board shall have the authority to retain external legal counsel, consultants or other advisors to assist it in fulfilling its responsibility and to set and pay respective reasonable compensation of these advisors. The Company shall provide appropriate funding, as determined by the Board, for the services of these advisors.

1.4 Chair of the Board

The Chair of the Board of Directors of the **Company** shall have the duties and responsibilities set forth as below;

1) Board Leadership

- a) Serve on and chair the Board of Directors.
- b) Provide the leadership necessary to ensure effective functioning of the Board of Directors.
- c) Chair meetings of the Board of Directors.
- d) Assist in setting meeting schedules.
- e) Assist in setting meeting agendas.
- f) Communicate with Directors between meetings.
- g) Monitor meeting attendance.
- h) Assist in Committee appointments and nominate Committee Chairs for approval by the Board of Directors.
- i) Attend other Committee meetings where appropriate.
- j) Consult with the Remuneration Committee on Director Compensation.

2) Board Development

- a) Lead in the performance assessment of the Board of Directors and continuous improvement of Board of Directors.
- b) Assist the Nominating Committee in planning the composition of and nomination/succession to the Board of Directors and its Committees.

3) Working With Management

- a) Assist in effective communication among the Board of Directors and management, including follow-up of major items required by management.
- b) Lead the Board of Directors in monitoring and influencing strategic management.
- c) Build effective relationships with members of management.
- d) Help define problems, challenges and opportunities.
- e) Assist the Remuneration Committee in monitoring and evaluating performances of the **MD** of the Company.

- f) Counsel with the **MD**, as appropriate including potential senior staff plans and changes.
- g) Assists in representing shareholders, the Board of Directors and to management.
- h) Assist in representing management to the Board of Directors and shareholders.
- i) Lead the Board of Directors in maintaining accountability by management.
- j) Lead the Board of Directors in ensuring succession plans are in place at senior management level.
- k) Attend key company functions.

4) Management Shareholder Relations

- a) Chair annual and special meetings of shareholders.
- b) Meet with major shareholder groups.
- c) Communicate with shareholders and potential shareholders as requested by the **MD**.

Authority to make minor technical amendments to this position description is hereby delegated to the Secretary of the Company, who will report any amendments to the Board of Directors for consideration.

On an annual basis, this position description shall be reviewed and assessed; any proposed changes shall be submitted to the Board of Directors for considerations.

1.5 Responsibilities

The Board operates by delegating certain of its responsibilities to management and reserving certain powers to itself. Its principal duties fall into six categories as stipulated below;

1.5.1 Strategy Determination

- a) The Board has the responsibility to participate, as a whole and through its Committees, in identifying the objectives and goals of the business as well as the associated risks, and the strategy by which it proposes to reach those goals and mitigate such risks. The Board shall adopt a strategic planning process and shall approve, on an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business.
- b) The Board has the responsibility to ensure congruence between shareholder expectations, company plans and management performances.

1.5.2 Selection of the Management

- a) The Board retains the responsibility for managing its own affairs, including planning its composition, selecting its Chair, nominating candidates for election to the Board, appointing Committees and determining Director compensation.
- b) The Board has the responsibility for the appointment and replacement of a **MD** of the Company, for monitoring the **MD** performance, the **MD** remuneration, and providing advice and counsel in the execution of the **MD** duties.
- c) The Board has the responsibility for approving the appointment and remuneration of all corporate officers, acting upon the advice of the **MD**.
- d) The Board has the responsibility for, to the extent feasible, satisfying itself as to the integrity of the **MD** and the other executive officers and that the **MD** and other executive officers create a culture of integrity throughout the Company.

- e) The Board has the responsibility for ensuring that adequate provision has been made for management succession (including appointing, training and monitoring senior management).

1.5.3 Monitoring and Acting

- a) The Board retains the responsibility for monitoring the Company progress towards its goals, and revising and altering its direction in light of changing circumstances.
- b) The Board has the responsibility for taking action when performance falls short of its goals or when other special circumstances (for example mergers and acquisitions or changes in control) warrant it.

1.5.4 Policies and Procedures

- a) The Board has the responsibility for developing the Company approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Company.
- b) The Board has the responsibility for approving and monitoring compliance with all significant policies, procedures and internal control and management systems by which the Company is operated.
- c) The Board has the responsibility for ensuring that the Company operates at all times within applicable laws and regulations, and to high ethical and moral standards.

1.5.5 Reporting to Shareholders

- a) The Board has the responsibility for adopting a communications policy for all Company, including adopting measures for receiving feedback from stakeholders.
- b) The Board has the responsibility for ensuring that the financial performance of the Company is reported to shareholders on a timely, regular and non-selective basis.
- c) The Board has the responsibility for ensuring that the financial results are reported fairly, and in accordance with generally accepted accounting principles.
- d) The Board has the responsibility for timely and non-selective reporting of any other developments that have a significant and material impact on the value of the shareholders' assets.
- e) The Board has the responsibility for reporting annually to shareholders on its stewardship for the preceding year.
- f) The Board has the responsibility for approving any payment of dividends to shareholders.

1.5.6 Legal Requirements

- a) The Board is responsible for ensuring that legal requirements, documents and records have been properly prepared, approved and maintained.

1.6 Others

- a) On an annual basis, this Board Charter shall be reviewed and assessed, and any proposed changes shall be submitted to the Board for consideration.
- b) Any security holder may contact the Board by email or by writing to the Board and the Company Secretary. Matters relating to the Company accounting, internal accounting controls or auditing matters will be referred to the Audit Committee. Other matter will be referred to the Board Chair.