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Cocoaland Holdings Berhad

Board Charter

INTRODUCTION

The Board Charter sets out the composition, roles and responsibilities and processes of the Board.

The Board Charter has been adopted by and is applicable to all Directors of the Company and, amongst other things, provides that all Directors must avoid conflicts of interest between their private financial activities and their part in the conduct of company business.

The Board derives its authority to act from the Memorandum and Articles of Association of the Company and the law and regulations governing companies in Malaysia.

BOARD STRUCTURE

Composition

The number of directors shall be not less than two (2) but not more than twelve (12) as set out in the Company's Articles of Association.

In accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company must ensure that at least two (2) directors or one-third (1/3) of the board of directors of the Company, whichever is the higher, are independent directors. If the number of directors of the Company is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) must be used.

Tenure

In accordance with the Company's Articles of Association, one-third (1/3) 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-election. It provides that 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 directors to retire in every year shall be those who have been longest in office since their last election.

An Independent Director who has served nine (9) years as a Board member can only be re-appointed upon approval by the shareholders at the Annual General Meeting.

Board Committees

The Board has set up different Board committees with different functions to assist the Board in discharging its fiduciary duty. These committees do not make decision on behalf of the Board and the Company. It is each committee's duty to review the matter under its purview and make the necessary recommendation to the Board for its consideration and decision making.

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The Board has established the following Committees to assist the Board in the execution of its duties:

- a. Audit Committee
- b. Remuneration Committee
- c. Nominating Committee
- d. Executive Committee
- e. Risk Management Committee

The Chairman of the relevant Board Committees will report to the Board on the key issues deliberated by the Board Committees at the Board meetings.

ROLES AND RESPONSIBILITIES OF BOARD

Role of Board

The functions of the Board are to:

- monitor the compliance with all relevant statutory and legal obligations;
- review and set the Group's strategic plan and direction and ensure that resources are available to meet its objectives;
- supervise the operations of the Group to evaluate whether established targets are achieved;
- identify principal risks and ensure the implementation of appropriate systems to manage these risks;
- promote better investor relations and shareholder communications;
- ensure that the Group's core values, vision and mission and shareholders' interests are met;
- review the adequacy and the integrity of the Group's internal control systems including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- establish such committees, policies and procedures to effectively discharge the Board's roles and responsibilities;
- initiate a Board self-evaluation program and follow-up action to deal with issues arising and arrange for directors to attend courses, seminars and participate in development programs as the Board judges as appropriate; and
- ensure that the Company has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate responsibility.

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Role of Chairman

The Chairman is responsible for:

- providing leadership at Board level;
- facilitating all Board meetings and ensure the appropriate level of interaction among Board members and senior management;
- ensuring a balance composition of skills, knowledge and experience within the Board and an effective working, reporting and communication mode;
- ensuring that material matters in respect of the business or governance of the Company or the Group are tabled and ventilated effectively for Board decision making;
- monitoring the performance of the individual and collective roles of the directors and the Board;
- promoting constructive and respectful relations between Board members and between the Board and the Management; and
- chairing all meetings with the shareholders i.e. Annual General Meeting, Extraordinary General Meetings.

Role of Executive Director

The Executive Directors are responsible for:

- strategic business direction, plans and policies of the Group;
- the efficient and effective operation of the Group;
- day-to-day management of the Group with all powers, discretions and delegations authorised, from time to time, by the Board; and
- bringing material matters to the attention of the Board in an accurate and timely manner.

Role of Committees

The roles and responsibilities of Audit, Remuneration, Nominating and Executive Committees are set out in the terms and reference of each Committee.

BOARD PROCESSES

Board Meetings

- Meetings will be conducted on a quarterly basis. The Company Secretary will prepare and circulate notices and timetables for all required to attend the meeting.
- The quorum of Board meeting is two (2) members, present in person.

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- Proceedings of all meetings are minuted and signed by the Chairman of the meeting. Minutes of all Board meetings are circulated to the directors and approved by the Board at the subsequent meeting. Directors' Circular Resolutions approved by majority of the directors are as valid and effective as if the resolutions had been passed at the meeting of the directors. The resolutions are to be recorded in the Company's minutes book kept by the Company Secretary.
- Actions on all matters arising from any meeting are reported at the following meeting.
- The Board may invite external parties such as auditors (both internal and/or external auditors), solicitors or consultants as and when the need arises. Such invited parties may attend part or all of the Board Meeting at the discretion of the Board

Notices, Agenda and Meeting Papers

- The notice of Board meetings shall be issued at least seven (7) days prior to the meeting.
- Prior to each Board meeting, the agenda together with relevant reports would be circulated to all Directors in sufficient time to enable effective discussion and decision making.
- Minutes prepared following the Board meeting will be circulated in draft form. The draft minutes will be re-circulated with the Board papers in readiness for signing at the following meeting. Issues discussed in arriving at each Board's decision shall be recorded.

Access to Information

The Directors have unrestricted access to the advice and services of the Company Secretary and Senior Management and may obtain independent professional advice at the Company's expense in the furtherance of their duties.

The Directors acknowledge that confidential information received in the course of exercise of the Board duties remains the property of the Group, whether it relates to the Group or another entity. It will not be disclosed unless either the Chairman of the Board has so authorized in writing or disclosure is required by law.

Professional Development

The Board is required to be kept up-to-date with current business, industry, regulatory and legislative developments and trends that will affect the Company and Group's business operations.

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Newly appointed Board members are mandated to attend the Mandatory Accreditation Programme as required under the Listing Requirements of Bursa Malaysia Securities Berhad within four (4) months from the date of appointment.

The Directors are regularly updated by the Company Secretary on new statutory, corporate and regulatory developments relating to Directors' duties and responsibilities or the discharge of their duties as Directors of the Company. To improve their skills, Directors are encouraged to attend the relevant training at the company's expense.

REVIEW OF BOARD CHARTER

The Board Charter shall be reviewed by the Board as and when required to ensure its relevance in assisting the Board to discharge its duties with the changes in the corporate laws and regulations that may arise from time to time and to remains consistent with the Board's objectives and responsibilities.