



MNC WIRELESS BERHAD
(635884-T)

BOARD CHARTER

1. Introduction

The Board of Directors (“Board”) of MNC Wireless Berhad (“MNC” or the “Company”) is responsible for overseeing the Company’s management and ensuring that the principles of good corporate governance are practiced in creating, protecting and enhancing shareholders’ value and in promoting sustainability. The Board Charter (“Charter”) together with the Company’s Articles of Association provides the authority and practices for governance of the Company. This Charter sets out the role, functions, composition, operation, process and responsibilities of the Board within the governance structure of the Company and its wholly owned subsidiaries (“Group”).

2. Roles and Responsibilities

2.1 Board principal responsibilities

The Board guides and monitors the business and affairs of the Company and of the Group on behalf of the shareholders by whom they are elected and to whom they are accountable.

The principal roles and responsibilities of the Board members are as follows:

- (a) review and adopt the strategic plans of the Company and to monitor the implementation of such plans by the Management;
- (b) oversee the resources and operations, including its control and accountability systems;
- (c) identify principal risks that the Company may face and ensure that it has systems in place for risk management and internal control;
- (d) succession planning for senior Management including appointing, training, determining the appropriate compensation benefits and where necessary, replacing any member of the Senior Management;
- (e) overseeing the development and implementation of a shareholders’ communication policy to ensure effective communication with its shareholders and other stakeholders
- (f) monitor compliance with legal, regulatory requirements (including continuous disclosure) and ethical standards;
- (g) review, ratify and monitor the Company's Code of Ethics and Conduct;

2.2 *Role of the Chairman*

The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspect of its role as described below:

- a) leading the Board and ensuring its effectiveness on all aspects of its role and setting its agenda;
- b) ensuring the efficient organization and conduct of the Board's function and meetings;
- c) maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
- d) ensuring the provision of accurate, timely and clear information to Directors;
- e) ensuring effective communication with shareholders and relevant stakeholders;
- f) arranging regular evaluation of the performance of the Board, its Committees and individual Directors;
- g) facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors;
- h) facilitating the ongoing development of all Directors;
- i) facilitating the effective contribution of all Directors at Board meetings;
- l) promoting constructive and respectful relations between Directors, and between the Board and Management

2.3 *Role of the Executive Directors*

The Executive Directors are responsible for:

- (a) developing and implementing corporate strategies for the Group;
- (b) providing leadership in setting the values and standards of the Company;
- (c) supervising heads of division/department who are responsible for all functions contributing to the success of the Group;
- (d) ensuring the efficiency and effectiveness of the operation for the Group;
- (e) assessing business opportunities which are of potential benefit to the Group;
- (f) highlighting material and other relevant matters to the attention of the Board in an accurate and timely manner;
- (g) managing a team of executives responsible for all functions contributing to the success of the Group; and
- (h) ensuring that the Group has the appropriate risk management and internal control practices and policies in place

2.4 *Role of the Non Executive Directors*

All Non-Executive Directors are encouraged to:

- (a) regularly update and refresh their skills, knowledge and familiarity with the businesses and affairs of the Company and of the Group;

- (b) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice;
- (c) form independent view as to what is necessary in particular circumstances to comply with the duty of care, skill and diligence they owe as a director to the Company; and
- (d) where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board, to the extent that they are not resolved, ensure that they are recorded in the Board minutes.

3. Matters reserved for the Board

The following are matters reserved for collective decision of the Board:

- (a) Limits of authority including any amendments thereto.
- (b) Annual Budget/Plan.
- (c) Audited and Quarterly Financial Statements.
- (d) Material Acquisition and Disposal of Assets
- (e) Appointment and/or removal of Company Secretary,
- (f) Appointment or removal of External Auditors and Auditors' remuneration.
- (g) Related Party Transactions,
- (h) Authorised Signatories for the operation of bank accounts including any amendments thereto.
- (i) Changes in group structure
- (j) Any other issues which may be decided by the Board from time to time

4. Board Composition

The Board shall consist of at least two (2) directors and at any one time, at least one third (1/3) of the total number of directors, whichever is the higher are Independent Directors. The Board must comprise a majority of Independent Directors where the chairman of the board is not an independent director. The members of the Board shall have a balance mix of skills, experience and knowledge essential in the capable management and leadership of the Company. The composition and size of the Board are reviewed from time to time to ensure its suitability.

5. Board Committee

To assist the Board in carrying out its duties and responsibilities, the Board may establish Committee as is considered appropriate. The Board delegates certain functions to the following committees to assist in the execution of its responsibilities:-

5.1 Audit Committee

The key functions, roles and responsibilities of the Audit Committee are as follows:-

- (a) To review with the external auditors on the audit plan, report and the results of their evaluation of the accounting policies and systems of internal accounting controls within the Group;

- (b) To review the adequacy of the scope, functions and resources and set the standards of the internal audit function.
- (c) To recommend such measures as to be taken by the Board of Directors on the effectiveness of the system of internal control and risk management practices of the Group.
- (d) To review the internal audit programme, processes the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.
- (e) To review with management on audit reports, the implementation of audit recommendations and the interim financial information;
- (f) To discuss problems and reservations arising from interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary).
- (g) To monitor related party transactions entered into by the Company or the Group and to determine if such transactions are undertaken on an arm's length basis and normal commercial terms and on terms not more favourable to the related parties than those generally available to the public, and to ensure that the Directors report such transactions annually to shareholders via the annual report, and to review conflicts of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- (h) To review the quarterly reports on consolidated results and annual financial statements prior to submission to the Board of Directors;
- (i) To consider the appointment and/or the re-appointment of auditors, the audit fees and any questions of resignation or dismissal including recommending the nomination of person or persons as auditors to the Board.

5.2 Nomination Committee

The primary functions of the Nomination Committee are as follows:

- (a) to identify candidates and review all nominations for the appointment or re-appointment of members of the Board, and to determine the selection criteria therefor;
- (b) to ensure that all Board appointees undergo appropriate induction programmes;
- (c) to regularly review the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary or appropriate;
- (d) to identify the gaps in the mix of skills, experience and other qualities required in an effective Board and to nominate or recommend suitable candidates to fill these gaps; and
- (e) to assess the effectiveness of the Board as a whole.

5.3 Remuneration Committee

The responsibilities of the Remuneration Committee (RC) include the following:

- (a) to seek comparative information on remuneration and conditions of services in comparable organizations;
- (b) to review directors' fees to ensure that they are at sufficiently competitive levels;
- (c) to consider severance payments that represent public interest and avoid any inappropriate use of public funds;
- (d) to recommend and advise the Board on the terms of appointment and remuneration of its members; and
- (e) to establish a formal and transparent procedure for developing policy on remuneration packages of individual directors.

6. Appointment of Directors

The appointment of a new Director is a matter for consideration and decision by the full Board, based on the recommendation from the Nomination Committee. In accordance with the Company's Articles of Association, at least one third (1/3) of the Board shall retire from office and all Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election. A retiring director shall retain office until the close of the meeting at which he/she retires.

Directors over the age of seventy (70) years are required to submit themselves for re-appointment annually in accordance with Section 129 of the Companies Act, 1965. The Board shall appoint a Senior Independent Director who will also attend to any query or concern raised by shareholders.

7. Assessment & Tenure of Independent Directors

The Board shall undertake an assessment of its Independent Directors annually. The tenure of an Independent Director should not exceed a cumulative term of 9 years. Upon completion of the nine years, an independent director may continue to serve the Board subject to the director's re-designation as a non-independent director. Subject to obtaining the approval of the Company's shareholders, the Board may recommend and provide strong justification in the event it retains an independent director who has served a cumulative term of nine (9) years as an independent director of the Company.

8. Board Meetings

The Board generally has at least five (5) regular scheduled meetings in each financial year, with additional meetings to be held as and when the need arises. A full agenda of the meeting and all Board papers would be distributed in advance to ensure Directors are well informed and have the opportunity to seek additional information, and are able to obtain further clarification from the Management or the Company Secretary should the need arise.

9. Directors' Remuneration

The Directors shall be paid by way of remuneration for their services rendered. Directors' fees shall be based on a standard fixed sum and are subject to approval by its shareholders at the

Annual General Meeting (“AGM”). The Directors play no part in deciding their own remuneration and shall abstain from discussing or voting on their own remuneration. The remuneration of the Executive Directors shall be determined by the Remuneration Committee taking into consideration the Directors' contribution and commitment to the Company, the performance of the Group and the compensation levels for comparable positions among other similar industry. In the case of Non-Executive Directors, the level of remuneration should reflect the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned.

10. Directors' Training

In compliance with Bursa Securities Listing requirement, all Directors are required to attend and complete the Mandatory Accreditation Programme. In addition, Directors are encouraged to attend continuous education programmes and seminars to update their knowledge and enhance their skills to effectively discharge their duties as Directors. The Board shall assess the training needs of the Directors from time to time.

11. Access to Information and Independent Advice

All Directors have unrestricted access to all information pertaining to the Group. The Directors may interact directly with, or request further explanation, information or updates, on any aspect of the Company's business concerns from the Management to enable the Board to discharge its duties in relation to the matters being deliberated.

Notice of meetings, setting out the agenda and accompanied by the relevant Board papers are given to the Directors on a timely manner to enable the Directors to peruse, obtain addition information and/or seek further clarification on the matters to be tabled at a meeting. The proceedings and resolutions passed at each Board meeting are minuted and kept in the statutory minute book at the registered office of the Company.

In furtherance of their duties, whenever independent professional advice is required by the Directors, external experts may be engaged at the Company's expense.

12. Secretary

The Board has direct access to the advice and the services of the Company Secretary, who is responsible for ensuring that board procedures are followed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a matter for decision by the Board as a whole.

13. Investor Relations and Shareholder Communication

The Board shall place great importance in maintaining high standards of transparency and accountability in its communication to shareholders and investor through making timely disclosure of all material matters affecting the Group. In addition to the announcements and disclosures made to Bursa Malaysia Securities Berhad on any material matters affecting the Group, information on the Group's activities which includes financial results and other additional corporate information shall also be made available for reference on its website. There shall be continuous effort to ensure that the information on the website remains current, updated and relevant to investors.

The AGM is the principal forum for dialogue with shareholders. During the AGM, shareholders have direct access to Board members who are on hand to answer any questions and feedback pertaining to the business of the Group. External Auditors are also present to provide their professional and independent advice on relevant issues raised.

14. Code of Ethics & Conduct

The Board has recently adopted a Code of Ethics & Conduct to guide the Directors, management and employees in the conduct of the businesses and governance of the affairs of the Group. The Code of Conduct together with the Employees Handbook guide the Directors, Management and employees with regard to policies and ethic standards to be adhere to in the conduct of the daily affairs and business of the Group. The Board would ensure that the Code of Conduct and Employee Handbook be reviewed and updated regularly to meet the Company's needs and to address the changing conditions of its business environment.

15. Review of Board Charter

The Board Charter has been adopted by the Board on 10 April 2014 and shall be periodically reviewed and may be amended by the Board as it deems appropriate.