

IBRACO BERHAD

(Company No. 011286-P)

Incorporated in Malaysia

BOARD CHARTER

This Board Charter (“**Charter**”) formalises the various roles and responsibilities of the Board of Directors of the Company (“**Board**”), Board Committees and individual Director in discharging their fiduciary and leadership functions.

This Charter serves as a structured guide. It shall not be construed as an exhaustive blueprint by Directors on corporate governance matters.

INTERPRETATION

“Board Committees”	means committees established by the Board from time to time;
“Company Secretary(ies)”	means the Board secretary(ies) or the person(s) normally exercising the functions of a Board secretary;
“Group”	means the Company and all its subsidiaries;
“Independent Director”	is defined in accordance with Paragraph 1.01 of the Listing Requirements;
“Listing Requirements”	means the Main Market Listing Requirements of Bursa Malaysia;
“Management”	means the management personnel of the Group; and
“Shareholders”	means the shareholders of the Company.

1 ROLE OF THE BOARD AND ITS PRINCIPAL RESPONSIBILITIES

1.1 The Board is collectively responsible for the stewardship of the Group’s business and affairs, setting the Company’s long-term strategic direction and safeguarding interests of the stakeholders.

1.2 The principal responsibilities of the Board are as follows:

- a. reviewing and adopting a strategic plan, as developed by Management, that promote sustainability within the aspect of environmental, social and governance;
- b. overseeing the conduct of the Group’s business in accordance with its strategic plan and budget;

- c. monitoring the performance of Management to ensure sound financial and operational management;
- d. identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to manage such risks;
- e. overseeing the development and implementation of investor relations and shareholder communication policy;
- f. ensuring succession planning are in place for the orderly succession of senior management;
- g. reviewing the adequacy and integrity of the Group's management information and internal control systems, ensuring there is a sound framework of reporting internal controls and regulatory compliance; and
- h. overseeing the Group's adherence to appropriate corporate governance structure and ethical corporate behavior.

1.3 The Board has reserved the following matters, amongst others, for its decision:-

- a. appointment and recommendation for removal of Directors
- b. appointment and removal of Chief Executive Officer/Group Managing Director, Chief Financial Officer and Company Secretaries
- c. establishment of Board Committees, members and term of reference
- d. recommendation of Directors' fees to be approved by shareholders
- e. approval of strategies and annual budget;
- f. approval of annual and quarterly results;
- g. material acquisition and disposal of assets not in the ordinary course of business
- h. decision on major investment and award of contracts
- i. treasury policies and authority levels
- j. risk management policies
- k. approval of interim dividend and recommendation of final dividend and other distribution for shareholders' approval

1.4 The Board has adopted a Code of Ethics and has in place a Whistle-Blower Policy.

2 BOARD BALANCE AND COMPOSITION

2.1 The Board shall comprise at least two (2) members or one-third ($\frac{1}{3}$) of the Board, whichever is higher, who are Independent Non-Executive Directors (“**ID**”) in accordance with the Listing Requirements.

2.2 The Board also acknowledged that the Malaysia Code of Corporate Governance 2017 called upon companies to have at least half of the board composed of independent directors in order to foster greater objectivity in the board room. However, The Directors, with their

diverse professional backgrounds and specialisations, collectively bring considerable knowledge, independent judgments and expertise to the Board. Further, with the current Board composition, there is no disproportionate imbalance of power and authority on the Board between the non-independent and independent directors. Nevertheless, the Board will continue to monitor and review the Board size and composition from time to time.

- 2.3 The tenure of ID shall be for a cumulative term of nine (9) years since appointment as ID. The ID may continue to serve on the Board beyond the nine (9)-year tenure provided the ID is re-designated as a Non-Independent Director. Where the Board is of the view that the ID can continue beyond the nine (9)-year tenure, it must justify and seek shareholders' approval. If the board continues to retain the ID after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.
- 2.4 The Board shall also identify, from amongst its members for inclusion in the Company's Annual Report, a Senior Independent Non-Executive Director to whom concerns of fellow Directors, shareholders or stakeholders may be conveyed.
- 2.5 Time Commitment of Directors - The Board and the Audit Committee currently meet four times a year. Additional committee or Board meetings may be called as circumstances warrant during a given year. Thus, each Director is encouraged to commit at least 4 days per year for attending meetings of the Board and its committees either attending in person or via tele-conferencing.
- 2.6 The respective roles and responsibilities of the Chairman and the Group Managing Director are clearly set up to ensure that there is clear and proper balance of power and authority.

3 ROLES OF CHAIRMAN

The Chairman is responsible for leadership of the Board. In particular, the Chairman is responsible to:-

- a) Ensure effective operation of the Board and its committees in conformity with the standards of corporate governance.
- b) Ensure effective communication with shareholder and other stakeholders.
- c) Ensure orderly conduct and proceedings of the Board, where healthy debate on issues being deliberated is encouraged to reflect an appropriate level of scepticism and independence.
- d) Takes the lead to ensure the appropriateness and effectiveness of the succession planning programme for the Board.
- e) Ensure that all Board committees are properly established, composed and operated.
- f) Support the Managing Director in the development of strategy and to support and advise the Managing Director.
- g) Ensure that the performance of the Board, its main committees and individual directors is formally evaluated on an annual basis.
- h) Establish a harmonious and open relationship with the Managing Director.

4 ROLES OF CHIEF EXECUTIVE OFFICER/GROUP MANAGING DIRECTOR

The Managing Director is responsible for leadership of the business and managing it within the authorities delegated by the Board. In particular, the Managing Director is responsible to:-

- a) Develop strategy proposals for recommendation to the Board and ensure that agreed strategies are reflected in business.
- b) Plan human resourcing to ensure that the Group has the capabilities and resources required to achieve its plans.
- c) Develop an organisational structure and establish processes and systems to ensure the efficient organisation of resources.
- d) Primarily accountable for overseeing the day-to-day operations to ensure the smooth and effective running of the Group.
- e) Develop and promote effective communication with shareholders and other stakeholders.
- f) Develop processes and structures to ensure that capital investment proposals are reviewed thoroughly, that associated risks are identified and appropriate steps taken to manage the risks.
- g) Develop and maintain an effective framework of internal controls over risk in relation to all business activities.
- h) Ensures that the financial management practice is performed at the highest level of integrity and transparency for the benefit of the shareholders and that the business and affairs of the Group are carried out in an ethical and in full compliance with the relevant laws and regulations.

5 ROLES OF INDIVIDUAL DIRECTORS

Directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities, including:-

- a) Acting in good faith and in the best interest of the Group;
- b) Acting with care and diligence;
- c) Refraining from making improper use of information gained through the position of director and from taking improper advantage of the position of director; and
- d) Expecting to comply with their legal and statutory obligations.

6 COMPANY SECRETARY

- 6.1 The Company Secretary shall be suitably qualified and capable of carrying out the duties required of the post.

- 6.2 The Company Secretary is expected to provide advice and services to the Directors, as and when the need arises, to enhance the effective functioning of the Board and regulatory compliance.
- 6.3 The primary responsibilities of the Company Secretary include the following:
- a. ensuring that Board procedures and applicable rules are observed;
 - b. maintaining records of the Board and Board Committees and their respective meetings and ensuring effective management of the Company's records;
 - c. preparing comprehensive minutes to document Board and Board Committee proceedings and ensure conclusions are accurately recorded;
 - d. timely dissemination of information relevant to Directors' roles and functions and keeping them updated on new or evolving regulatory requirements; and
 - e. carrying out other functions as deemed appropriate by the Board from time to time.

7 BOARD COMMITTEES

7.1 The following Committees have been established by the Board:

a. **Audit Committee**

The Audit Committee assists and supports the Board primarily in the area of financial reporting in liaison with the external auditors and the Group's system of risk management and internal control in liaison with the internal auditors.

b. **Nomination Committee**

The Nomination Committee assists the Board on matters relating to the selection and assessment of Directors.

c. **Remuneration Committee**

The Remuneration Committee assists the Board on matters relating to the remuneration of Directors and senior management.

d. **Risk Management Committee**

The Risk Management Committee assists the Board on matters relating to identification of principal risks faced by the Group and continuously reviewing the adequacy of its internal control system to mitigate the risks.

e. **Option Committee**

The Option Committee assists the Board to administer the implementation of the Employee Share Option Scheme.

8 THE BOARD'S RELATIONSHIP WITH SHAREHOLDERS AND STAKEHOLDERS

- 8.1 The Board shall maintain a communications policy that enables both the Board and Management to communicate effectively with all stakeholders.
- 8.2 The Board shall arrange for the General Meetings of the Company to be conducted in an efficient manner to enhance shareholder communications. The Board shall also provide timely and relevant information to shareholders and encourage their active participation at the meetings.

9 BOARD PROCEDURES

9.1 Board meetings

- 9.1.1 Meetings shall be conducted at least on a quarterly basis. The Company Secretary shall prepare and distribute to all Directors in advance a timetable for the meetings for the year.
- 9.1.2 Except in the event of urgency, seven (7) day notice of every Board meeting will be provided in writing. Notices may be sent via facsimile, electronic mail or by any means of telecommunication.
- 9.1.3 The Chairman, assisted by the Company Secretary, shall assess the type of information needed to be supplied to the Board and the contents of the agenda.
- 9.1.4 Resolutions at any meeting of the Directors shall be decided by a majority of votes.
- 9.1.5 Should matters requiring Board's decision arise between meetings, such matters shall be resolved through circular resolution which shall be supported by relevant papers setting out details of the subject matter. All such resolutions shall be submitted for confirmation at a meeting of the Board following the passing of the circular resolutions.
- 9.1.6 The Directors may participate at a meeting of the Directors by means of telephone and video conference or by other means of communication. The physical presence of Director(s) is not compulsory and participation at the meeting in the aforesaid manner shall be deemed to constitute presence in person at such meeting.
- 9.1.7 A Director shall abstain from deliberation and voting on contracts or proposed contracts or arrangements in which the Director has direct and/or indirect interests.
- 9.1.8. Board papers are to be circulated timely to provide reasonable time for Directors to consider board papers prior to the meeting.
- 9.1.9 Proceedings of all meetings and the decisions of the Board are recorded in the minutes of the meeting. The draft minutes shall be tabled at the following meeting for confirmation and signing.

10 ACCESS TO INFORMATION

All Directors shall have unrestricted access to Management and to information pertaining to the Company and its subsidiaries, including access to the Company auditors and consultants, relevant to the furtherance of their duties and responsibilities as Directors of the Company.

11 INDEPENDENT PROFESSIONAL ADVICE

In discharging the Directors' duties, each member of the Board is entitled to obtain independent professional advice at the Company's expense with the Chairman's prior consent.

12 DIRECTORS' TRAINING

12.1 The Board shall maintain an induction programme for new Directors.

12.2 In addition to the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad, the Directors are required to attend relevant training courses or seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of Directors as well as technical matters. The Nomination Committee shall decide on the continuous education training programme for Directors.

12.3 All trainings attended by Directors shall be disclosed in the Annual Report. In the event of non-attendance of any training by Directors, justifications for non-attendance shall also be disclosed.

13 ROLE OF SENIOR INDEPENDENT DIRECTOR

The Board has appointed Mr. Guido Paul Philip Joseph Ravelli as the Senior Independent Director to whom concerns pertaining to Group may be conveyed by shareholders and the public.

14 CONFLICT OF INTEREST

14.1 A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the Director's interest in accordance with the Companies Act, 2016. The Director concerned shall not participate in

deliberations and shall abstain from casting votes in any matter arising thereof unless as otherwise provided for in the Companies Act, 2016.

- 14.2 Should there be an actual, potential or perceived conflict of interest between the Company or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, the Director involved shall make full disclosure (through the Chairman or Company Secretary) and act honestly in the best interest of the Company.

15 DIRECTORS' REMUNERATION

- 15.1 Non Executive Directors will be paid a fee for acting as Directors of the Company, subject to approval by shareholders, recommended by Remuneration Committee based on the Company's Remuneration Framework.
- 15.2 The remuneration of Executive Directors shall be recommended by the Remuneration Committee with the individual Director concerned abstaining from discussing his individual remuneration. The amount of remuneration payable shall be determined with reference to corporate and individual performance of Directors giving consideration to the compensation level for comparable positions among other similar companies.

16 BOARD AND MEMBER ASSESSMENT

- 16.1 The Nomination Committee is entrusted by the Board to review the performance and effectiveness of the Board and Board Committees, including individual Directors, annually, with the assessment report, together with a report on the Board balance covering the required mix of skills, experience and other qualities of Board members for discussion at the full Board.
- 16.2 The Board shall undertake an assessment of its Independent Directors annually taking into consideration, amongst other, the following criteria:-
- Is not an executive director of the listed issuer or any related corporation of the listed issuer;
 - Has not been within the last 2 years and is not an officer (except as a non-executive director);
 - Is not a major shareholder;
 - Is not acting as a nominee or representative of any executive director or major shareholder;

- Is not a family member of any executive director, officer or major shareholder;
- Has not been engaged as an adviser by the listed issuer; and
- Has not engaged in any transaction with the listed issuer or is not presently a partner, director or major shareholder of a firm or corporation which has engaged in any transaction with the listed issuer.

17 REVIEW OF BOARD CHARTER

The Board shall review and amend it from time to time where appropriate to reflect changing legal, regulatory and business practices.

Revised Feb 2018

IBRACO BERHAD

(Company No. 011286-P)

Incorporated in Malaysia

NOMINATION COMMITTEE

TERM OF REFERENCE

COMPOSITION

- a) The Committee shall consist of at least three (3) members, all of whom shall be duly appointed by the Board. An independent director shall act as Chairman of the Committee.
- b) The Committee shall comprise exclusively of non-executive directors, a majority of whom must be independent.
- c) The membership of any member shall automatically terminate in the event that the member ceases to be a non-executive director in accordance with paragraph (b) above.

AUORITY

- a) The Board has constituted the Committee with the authorities necessary to perform the duties set out in this Term of Reference.
- b) The Committee, within the scope of its assigned duties, is authorised to seek any information it requires from employees, company officials and external parties.
- c) The Committee may engage advisers or otherwise obtain such independent legal or other professional services, as it requires, at the expense of the Company, with prior consent of the Board.
- d) The Board will provide the Committee with sufficient resources to undertake its duties, including access to the company secretariat.

SECRETARY

The Company Secretary shall be the secretary of the Committee.

MEETING

- a) The quorum necessary for the transaction of business shall be two of whom at least one must be an Independent Director.
- b) The Committee Chairman shall have a second or casting vote. However, where only 2 member (including Committee Chairman) are competent to vote on question at issue, the Committee Chairman shall not have a casting vote.
- c) The Committee shall meet at least once a year.

- d) Only the Committee members shall be entitled to participate in Committee meetings. Other members of the Board or key management personnel or any other person may attend the meeting of the Committee on the invitation of the Committee as the Committee shall deem fit and necessary.
- e) Meetings of the Committee shall be arranged by the Committee Secretary at the request of the Committee Chairman or any other member of the Committee.
- f) Notice of each meeting shall be forwarded to each Committee member and to other attendees (as appropriate) in advance together with an agenda and supporting papers. The Committee Secretary shall ensure that agenda and supporting papers are received by the Committee members in a timely manner.
- g) The Committee Secretary shall promptly circulate draft meeting minutes to the Committee Chairman for review and subsequently to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board, unless a conflict of interest exists.
- h) The Committee Chairman shall report the outcome of the Committee meeting to the Board and seek for approval or decision, if required.
- i) The Committee is allowed to exercise control on routine matters that require the Committee's recommendation through the dissemination of Committee Circular Resolution.

ANNUAL GENERAL MEETING

The Committee Chairman shall be available to answer questions on the Committee's activities at the Annual General Meeting of the Company.

DUTIES

Appointments

- a) To assess and recommend appointment of new Directors and Senior Management, taking into consideration their background, knowledge, integrity, competency, experience and their commitment. In addition, for the position of independent non-executive directors, the nominating committee should also evaluate the candidates' ability to discharge such responsibilities as expected from independent non-executive directors.
- b) On re-election and re-appointment of directorship, to consider the said director's expertise, skill, knowledge and experience against other members of the Board, as well as their role as committee members.
- c) For retention of independent directors who have served as independent directors beyond nine years, the Committee shall provide strong justification and seek shareholders' approval. In obtaining the shareholders' approval, the Committee shall conduct an assessment of the independent director(s) and recommend to the Board whether the independent director(s) should remain independent or be re-designated.

- d) Recommend to the Board, candidates to fill the seats on Board committees in consultation with the chairmen of Board committees. In the event that the chairman's position (regardless of board/committee) is to be filled, the Committee shall consult the Board.

Annual Assessment

- e) To review annually the mix of skills, knowledge, professionalism, integrity and experience, and other qualities to enable the Board to function completely and efficiently.
- f) Review the size, structure and composition of the Board.
- g) Annual assessment that the number of independent directors on the Board is sufficient to meet the regulatory requirements, and make such recommendation to the Board, where necessary.
- h) Annual evaluation of the Board's and Board Committees' performance. Performance assessment shall be used to assess whether the directors are spending enough time to fulfil their duties.

Continuous Education/Development

- i) The Committee shall from time to time identify suitable orientation, educational and training programmes for continuous development of directors.

Gender Diversity

- j) The Committee shall establish a gender diversity policy to ensure due consideration is given to female candidates as Director, Board Committee member and/or Senior Management.

Succession Planning

- k) The Committee shall review the leadership needs of the Company.
- l) Identify and develop succession plan for those in key positions in senior management.
- m) Identify and determine any future critical position.
- n) Make recommendation to the Board concerning the succession plan for Directors, in particular the Chairman and Managing Director and the re-appointment of Director at the conclusion of the term of office.
- o) Make recommendation to the Board concerning the recommendation to shareholders for re-election of any Director under the retirement by rotation provision in the Company's Articles of Association.
- p) Make recommendation to the Board concerning the continuation (or not) in service of any Director who has reached the age 70.

IBRACO BERHAD

(Company No. 011286-P)

Incorporated in Malaysia

BOARD DIVERSITY POLICY

PURPOSE

The purpose of this Diversity Policy (“**Policy**”) is to set out the approach to diversity on the Board of Directors of IBRACO BERHAD (“**Board**”).

POLICY STATEMENT

The Company recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element towards achieving sustainable business growth.

Board diversity includes but not limited to gender, age, cultural and educational background, ethnicity, experience, skills, knowledge and length of service.

All Board appointments shall take into consideration diversity criteria.

MEASURES ON GENDER DIVERSITY

Selection of Board candidates will be based on a range of diversity perspectives and recognise the importance to promote gender diversity. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee shall ensure gender diversity objectives are adopted in Board recruitment, Board performance assessment and succession planning process.

The Board annually will review the report on the gender composition of the organisation, in particular, the mix of genders in management role.

MONITORING AND REPORTING

The Nomination Committee will report annually, in the Corporate Governance Statement and monitor the implementation of this policy.

IBRACO BERHAD

(Company No. 011286-P)

Incorporated in Malaysia

REMUNERATION COMMITTEE

TERM OF REFERENCE

COMPOSITION

- a) The Committee shall consist of at least three (3) members, all of whom shall be duly appointed by the Board. An independent director shall act as Chairman of the Committee.
- b) The Committee shall comprise exclusively or a majority of non-executive directors.
- c) The membership of any member shall automatically terminate in the event that the member ceases to be a non-executive director in accordance with paragraph (b) above.

AUORITY

- a) The Board has constituted the Committee with the authorities necessary to perform the duties set out in these Term of Reference.
- b) The Committee, within the scope of its assigned duties, is authorised to seek any information it requires from employees, company officials and external parties.
- c) The Committee may engage advisers or otherwise obtain such independent legal or other professional services, as it requires, at the expense of the Company, with prior consent of the Board.
- d) The Board will provide the Committee with sufficient resources to undertake its duties, including access to the company secretariat.

SECRETARY

The Company Secretary shall be the secretary of the Committee.

MEETING

- a) The quorum necessary for the transaction of business shall be two of whom at least one must be an Independent Director.
- b) The Committee Chairman shall have a second or casting vote. However, where only 2 member (including Committee Chairman) are competent to vote on question at issue, the Committee Chairman shall not have a casting vote.
- c) The Committee shall meet at least once a year.
- d) Only the Committee members shall be entitled to participate in Committee meetings. Other members of the Board or key management personnel or any other person may attend the meeting of the Committee on the invitation of the Committee as the Committee shall deem fit and necessary.
- e) Meetings of the Committee shall be arranged by the Committee Secretary at the request of the Committee Chairman or any other member of the Committee.

- f) Notice of each meeting shall be forwarded to each Committee member and to other attendees (as appropriate) in advance together with an agenda and supporting papers. The Committee Secretary shall ensure that agenda and supporting papers are received by the Committee members in a timely manner.
- g) The Committee Secretary shall promptly circulate draft meeting minutes to the Committee Chairman for review and subsequently to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board, unless a conflict of interest exists.
- h) The Committee Chairman shall report the outcome of the Committee meeting to the Board and seek for approval or decision, if required.
- i) The Committee is allowed to exercise control on routine matters that require the Committee's recommendation through the dissemination of Committee Circular Resolution.

ANNUAL GENERAL MEETING

The Committee Chairman shall be available to answer questions on the Committee's activities at the Annual General Meeting of the Company.

DUTIES

Remuneration Policy

The Committee shall establish and agree with the Board the remuneration policy for the Executive Directors and senior management, ensuring that the remuneration policy is set at a competitive level for similar roles within comparable markets to recruit, attract, retain and motivate high calibre individuals to pursue the long-term growth and success of the Group.

The Board shall determine who are the personnel falling under senior management group.

Fees payable to Non-Executive Directors are deliberated and decided by the Board before they are presented for approval by shareholders at the Annual General Meeting.

Individual Remuneration Package

The Committee shall determine the individual remuneration packages for the directors and senior management based on the terms of the remuneration policy.

Incentive Plans

The Committee shall recommend compensation and other incentive plans to the Board for Directors and senior management, where appropriate.

Benefits

The Committee shall approve any changes to the benefit arrangements applicable to the Directors and senior management (subjected to shareholders' approval, where applicable).

IBRACO BERHAD

(Company No. 011286-P)

Incorporated in Malaysia

AUDIT COMMITTEE

TERM OF REFERENCE

1 CONSTITUTION

- a) The Committee was established by a resolution of the Board on 21 April 2001.
- b) The function of the Committee shall extend to Ibraco Berhad and all its subsidiary companies.
- c) It was updated and approved by the Board on 23 May 2013.

2 MEMBERSHIP

- a) The members of the Committee shall be appointed by the Board from among their number (except Alternate Directors) which consist of not more than five members and not fewer than three members. All members must be Non-Executive Directors, with a majority of them being Independent Directors. At least one member of the committee must be an accountant or has passed the examination requirements of the Accountants Act, 1967 or fulfilled such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
- b) In the event of any vacancy resulting in the non-compliance of paragraph 2.1 above, the Board shall within three months of that event, appoint such number of new members required to fulfil the minimum requirement.
- c) The members of the Committee shall elect a Chairman from among their number who shall be an Independent Non-Executive Director.
- d) All members of the Committee, including the Chairman, shall hold office only so long as they serve as Directors of the Group.
- e) The Board shall review the term of office and performance of the Committee and each of its members at least once every three years.

3 QUORUM

Unless otherwise determined, two members shall be a quorum. The majority of members present must be Independent Directors.

4 FUNCTIONS

The Committee shall review the following and report the same to the Board:

- a) With the External Auditors, the audit plans and their evaluation of the internal control systems.
- b) With the External Auditors, their audit report and the assistance given by the Company's and the Group's officers to the Auditors.
- c) The appointment or dismissal of the external auditors and their fees.
- d) Assess the suitability and independence of the External Auditors.
- e) The adequacy of the scope, function and resources of the internal audit function and whether it has the necessary authority to carry out its work.
- f) The internal audit programs, processes, the results of the internal audit activities and whether or not appropriate actions have been taken with respect to internal audit recommendations.
- g) The quarterly results and year-end financial statements, prior to the approval by the Board, focusing particularly on:
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant and unusual events;
 - (iii) compliance with accounting standards and other legal requirements; and
 - (iv) any related party transactions and conflict of interest situation that may arise within the Company and the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- h) The risk management process including the identification, assessment and mitigation of risks faced by the Company.
- i) The allocation of options during the year under the ESOS to verify whether it is in accordance with the criteria determined by the ESOS Committee and in compliance with the ESOS by-laws.

5 AUTHORITY

The Committee shall:

- a) have authority to investigate any matter within its terms of reference;
- b) have full and unrestricted access to any information pertaining to the Company and the Group;

- c) have the resources which are required to perform its duties;
- d) have direct communication channels with both the external and internal auditors;
- e) be able to obtain independent professional or other advice; and
- f) be able to convene meetings with external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

6 MEETINGS

- a) The Group Internal Auditor shall be the Secretary of the Committee.
- b) The Committee shall meet not less than four times a year. Prior to the meeting, the Secretary shall send notice to all Committee members at least seven days prior to the meeting.
- c) Minutes of each meeting shall be kept by the Secretary and circulated to all members within 14 days after each meeting.
- d) Minutes shall be confirmed at the following meeting of the Committee. Confirmed Minutes shall be circulated to all members of the Board by the Company Secretary.
- e) In addition to the Group Internal Auditor, the meetings will be attended by representatives of the external auditors, the Managing Director, the Chief Financial Officer and other appropriate persons as determined by the Chairman. No Director or employee shall attend any meeting of the Committee except at the Committee's invitation specific to the relevant meeting.
- f) In the absence of the Chairman, the Committee shall appoint one of the Independent Non-Executive members present to chair that meeting.
- g) Decisions of the Committee shall as far as possible be by consensus, failing which the decision will be by a simple majority.

7 COMMITTEE REPORT

- 7.1 At the end of each financial year, the Committee shall prepare an Audit Committee Report which include the following:
 - (i) the composition of the Committee;
 - (ii) the terms of reference / key functions;
 - (iii) the number of the Committee meetings held during the financial year and the details of attendance;
 - (iv) a summary of the activities of the Committee; and
 - (v) the existence of an internal audit function and a summary of its activities.
- 7.2 The Audit Committee Report shall be forwarded to the Board for its inclusion in the Company's Annual Report.

IBRACO BERHAD

(Company No. 011286-P)

Incorporated in Malaysia

SHAREHOLDERS' COMMUNICATION POLICY

OBJECTIVE

This policy sets out the standards and the requirements of the Company in relation to communicating with its shareholders. The Company shall keep shareholders fully informed about the Company and allow shareholders and other stakeholders to access Company's latest information available in a timely manner.

APPROVAL

This policy is subject to the Board's approval. The Board may approve updated and amendments to this policy from time to time.

MEETINGS

The annual general meeting and other general meetings of the Company are primary forum for communication by the Company with its shareholders and for shareholders' participation. Notice of meetings will be circulated to existing shareholders via mail, advertised in national newspaper and announced to Bursa Malaysia Securities Berhad.

Shareholders are encourage to participate in general meetings or to appoint proxies to attend and vote at the meetings.

REPORT

The Company's Annual Report and Circular to Shareholders aims to communicate to shareholders the Company activities, operations and performance.

THE COMPANY WEBSITE

A dedicated Investor Relations section is available on the Company's website (www.ibraco.com). Information released by the Company to Bursa Malaysia Securities Berhad is made available immediately after the announcement. All newsletter issued by the Company will be made available on the Company's website.

SHAREHOLDERS' ENQUIRIES

Shareholders should direct their questions about their shareholdings to the Share Registrar or the Company Secretary.

IBRACO BERHAD

(Company No. 011286-P)

Incorporated in Malaysia

DIRECTORS' CODE OF ETHICS

This Code of Conduct has been adopted by the Board of Directors to provide guidance on matters of professional and personal behaviour and applies to Directors, alternates and any accompanying person participating in Board Meetings.

1. Board members should observe the highest standards of ethical conduct and comply with all laws, rules and regulations to which they are subject.
2. When exercising the powers and carrying out the tasks and duties conferred upon them, Board members are expected to act in the interest of Ibraco Group to the best of their ability and judgement.
3. In performing their duties, Board members will carry out their responsibilities to the exclusion of any personal advantage.
4. Board members shall strive to avoid actions which would have a negative impact on either their duties as Board members or the interest of Ibraco Group.
5. If a conflict of interest, or the appearance of a conflict of interest, with Ibraco Group arises, the Board member should take action, as appropriate, to address the conflict. The Board member should inform the Board.
6. Board members should maintain the confidentiality of non-public information about Ibraco Group or its activities or operations to which they may have access by virtue of their functions as Board members ("**Confidential Ibraco Group Information**").
7. If Board members are required to disclose Confidential Ibraco Group Information by the law, they should inform the Board, if practicable in advance.
8. Board members are prohibited to trade securities or tip others to trade securities of Ibraco Berhad on the basis of material information before it is made publicly available to ordinary investors through appropriate media.

IBRACO BERHAD

(Company No. 011286-P)

Incorporated in Malaysia

WHISTLE-BLOWER POLICY

INTRODUCTION

All employees are encouraged to raise genuine concerns about possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity, and in an appropriate way.

This Policy is designed to:

- (a) Support the company's values;
- (b) Ensure employees can raise concerns without fear of reprisals and safeguard such person's confidentiality;
- (c) Protect a whistle-blower from reprisal as consequence of making a disclosure;
- (d) Provide a transparent and confidential process for dealing with concerns.

This policy not only covers possible improprieties in matters of financial reporting, but also:

- Fraud;
- Corruption, bribery or blackmail;
- Criminal offences;
- Failure to comply with a legal or regulatory obligation;
- Miscarriage of justice;
- Endangerment of an individual's health and safety; and
- Concealment of any, or a combination, of the above.

PRINCIPLES

The principles underpinning the Policy are as follows:

- (a) internal procedures to facilitate necessary whistle-blowing, in a timely and responsible manner, are in place and made known to all employees of the company;
- (b) all disclosures will be treated fairly and properly, and addressed in an appropriate and timely manner;
- (c) the company will not tolerate harassment or victimization of anyone raising a genuine concern;
- (d) the identity and personal information of the whistle-blower will be protected and kept confidential, unless the individual agrees otherwise or unless otherwise required by law;

- (e) the whistleblower and the alleged wrongdoer will be treated fairly. The wrongdoer will be informed of the status of his disclosure and the alleged wrongdoer will be given an opportunity to respond to all allegations at an appropriate time (not necessarily at the start, or during, the investigation);
- (f) personal information, including the identity, of the whistle-blower and the alleged wrongdoer shall only be revealed on a 'need-to-know' basis; and
- (g) the company will ensure no one will be at risk of suffering some form of reprisal as a result of raising a concern even if the individual is mistaken. The company, however, does not extend this assurance to someone who maliciously raises a matter he knows is untrue.

IMPROPER CONDUCT

A disclosure relating to, but not limited to, either of the following concerns or wrongdoings by any person in the conduct of the business shall be reported:

- (a) corruption, bribery and fraud;
- (b) criminal offence or any breach of the laws of Malaysia;
- (c) unauthorized acceptance of gifts/ favour;
- (d) misuse and/or misappropriation of the company's funds or assets
- (e) impropriety (including financial and operational, etc.) within the company;
- (f) gross mismanagement within the company;
- (g) breach of code of ethics of the company, including sexual, physical or other abuse of human rights; and
- (h) act or omission jeopardizing the health and safety of the company's employees or the public.

REPORTING PROCEDURE

If any employee believes reasonably and in good faith that malpractices exist in the work place, the employee should report this immediately to the Head of Department. The report must be in writing, submit via hand, post or email. However, if for any reason the employee is reluctant to do so, then the employee should report the concerns to either the:

- Group Internal Auditor; or
- Company Secretary.

If these channels have been followed and if employees still have unresolved concerns or employees feel the matter is grave in nature that it cannot be discussed with any of the appointed persons above, they should contact the Senior Independent Director at ravelli@psr-development.com, being the director identified in the company's annual report as one to whom concerns may be conveyed.

Employees' identities will not be disclosed without prior consent. Where concerns cannot be resolved without revealing the identity of the employee raising the concern (i.e. if the evidence is required in court), a dialogue will be carried out with the employee concerned as to whether and how the matter can progress further.

CONSEQUENCES OF WRONGDOING OR WRONGFUL DISCLOSURE

If the Person has, or is found to have:

- committed a wrongdoing;
- taken serious risks which would likely cause a wrongdoing to be committed;
- made a disclosure not in accordance with the requirements of this policy (for instance, dishonest, mischievous or malicious complaints); or
- participated or assisted in any process pursuant to this policy otherwise than in good faith,

the corrective actions to be taken against that Person will be determined by the Managing Director or, if so delegated by the Managing Director, the Senior Management, which may include, disciplinary measures, formal warning or reprimand, demotion, suspension or termination of employment or services or monetary or other forms of punishment.

INVESTIGATION AUTHORITY

Only the Board Committees and Group Internal Auditor or specific persons specifically directed by the Audit Committee have the right to carry out investigation and has the authority to engage advisers or otherwise obtain such independent legal or other professional services, as require, at the expense of the Company, with prior consent of the Board.