

BOARD CHARTER

1. Purpose

The Board Charter sets out the duties, responsibilities and functions of the Board of Directors (“the Board”) of Tong Herr Resources Berhad (“Company”) and adopts the principles of good corporate governance and practice in accordance with the applicable laws, rules and regulations in Malaysia.

2. Objectives

The Board Charter was designed to achieve the following objectives:-

- To enable the Board to provide strategic guidance and effective oversight of Management;
- To clearly define the roles and responsibilities of members of the Board and Management to facilitate accountability to the Company and its shareholders; and
- To ensure a balance of authority so that no single individual or group of Directors has unfettered powers.

The Board derives its authority to act from the Constitution of the Company and also the laws and regulations governing companies in Malaysia.

3. Composition

The Board comprises of Executive Directors and Independent Non-Executive Directors with various background of professionals and entrepreneurs, character, integrity, competence, mix of skill and experience relevant to corporate, manufacturing, management, legal and financial activities.

4. Principal Duties and Responsibilities of the Board

The Board is responsible for the overall performance of the Group by setting the vision and objectives, including strategic direction, establishing goals for management and monitoring the achievement of these goals.

The functions of the Board are to:-

- Formulate and review of corporate strategic plans and policies.
- Identify principal risks and establish the appropriate systems of risk management.
- Ensure that succession plan for senior management is in place.
- Oversee the conduct of Company's business.
- Maintain an effective investors and shareholders communication policy of the company.
- Maintain a good system of internal control and management information systems.
- Provide a balanced, clear and comprehensible assessment of the financial performance and prospects of the Company's position.

5. Delegations of Powers

The Board may delegate its power as it considers appropriate. However, ultimate responsibilities for strategy and control rest with the Board.

The Board may from time to time establish committees as it considers necessary or appropriate to assist in carrying out its responsibilities.

The Board has established the Audit Committee and Nominating Committee which operate within its own specific terms of reference approved by the Board.

The Board recognises that the decision making process is highly contingent on the quality of information furnished. As such, all Directors have unrestricted access to any information pertaining to the Company and the Group.

The Chairman ensures that all Directors have full and timely access to information with agenda and Board papers distributed in advance of meetings. This ensures that Directors have sufficient time to appreciate issues to be deliberated at the Board meeting and expedite the decision making process.

6. Roles of Chairman and Managing Director

The roles of the Chairman and Managing Director are strictly separated.

The Chairman is responsible for providing leadership for the Board so that the Board can perform its responsibilities effectively and to ensure that all Directors receive sufficient and accurate relevant information on financial and non-financial matters to enable them to participate actively in Board discussions.

The Managing Director is responsible for the overall day-to-day management of the business and the implementation of Board decisions. The Executive Directors are principally involved in implementing policies and decisions of the Board as well as overseeing business operations.

The Independent Non-Executive Directors are independent of management and free from any business or other relationship which enable them to provide unbiased and independent views, advice and judgment in the interest of minority shareholders.

7. Reporting

Proceedings of all meetings are minuted and signed by the Chairman of the meeting.

Minutes of all Board meetings are circulated to Directors and approved by the Board at the subsequent meeting.

8. Review Of Charter

The Board will periodically review the Board Charter and make any changes to ensure it remains consistent with the Board's objectives and responsibilities.