

BOARD CHARTER

Endorsement

Prepared and Recommended by:

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Date:		Date:	
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Position:		Position:	

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Signature:	[APPROVED BY THE BOARD OF DIRECTORS]
Date:	17.06.2022
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Introduction

This Board Charter (“Charter”) sets out a framework to assist the Board to provide strategic guidance to Lianson Fleet Group Berhad (“the Company”) and effective oversight of its Management, for the benefits of Shareholders and other stakeholders. The framework adopts principles of good corporate governance and is designed to maximize the Company’s compliance with best practice requirements. It also outlines the manner in which the Board discharges its responsibilities in pursuit of the Company Goals.

I Control Maintenance

This Charter is the property of the Company. The LS is the custodian of this Charter and is responsible for its maintenance and distribution.

Only authorised person or personnel shall be issued a copy of this Charter. This Charter shall be distributed to all Board members or any other the GROUP personnel as determined by the SGM, LS upon obtaining consent from the MD/CEO.

The Charter shall be reviewed in its entirety on a periodic basis or earlier when there are changes in the Board function, and/or local regulations and/or legislation to ensure the continued relevance and appropriateness of its contents. All amendments shall be recorded in the “Document Version Control” sheet of this Charter, and approved and endorsed in accordance to the Limits of Authority. The SGM, LS will circulate the relevant amendments to the Board members / process owners of the Charter where applicable.

II Definitions

Abbreviation Definition	
Act	Refers to Companies Act 2016, as amended from time to time and include any re-enactment thereof
ARMC	Refers to the Audit and Risk Management Committee
Board	Refers to the Board of Directors of the Company
Board Committees	Refers to all board committees established by the Board
Business	Refers to business of the Company
Chairman	Refers to Chairman of the Board
Charter	Refers to Board Charter
Code	Malaysian Code on Corporate Governance 2017 as amended from time to time
Company or LFG	Refers to Lianson Fleet Group Berhad
Company Goals	Refers to goals of the Company as set out in Part 1 of this Charter
Director or Directors	Refers to the director or directors of the Company, as the case may be
Company Secretary	Refers to Board secretary or the person exercising the function of a Board secretary
GROUP	Refers to the Company and its subsidiaries
LS	Refers to the Legal & Secretarial Department
Management	Refers to Management personnel of the Company
Management Limitations	Refers to limitations on the actions of Management as set out in paragraph 5.4
MD/CEO	Refers to Managing Director or the Chief Executive Officer as the case may be being the person spearheading the business and day-to-day management of LFG, as appointed by the Board and being the highest ranking executive in the Company responsible for carrying out corporate policies established by the Board and whose main responsibilities include developing and implementing high-level strategies, making major corporate decisions, managing the overall operations and resources of the Company, and acting as the main point of communication between the Board and corporate operations
MMLR	Refers to the Main Market Listing Requirement of Bursa Malaysia Securities Berhad
Senior Management	Refers to the MD/ CEO and/or any other C-suites personnel of the Company
Shareholder or Shareholders	Refers to Shareholder or Shareholders of the Company, as the case may be
SGM, LS	Refers to the Senior General Manager of LS by whichever name the person is called
Terms of Reference	Refers to each of the Terms of Reference for the Board Committees

III Document Version Control

The SGM, LS is responsible for the maintenance and update of this Charter. All amendments made to this Charter shall be tracked. Relevant information such as the document version control reference number, dates of amendment and approval, and section(s) amended are to be recorded in the amendment schedule set out below:

Version No.	Change Effective Date	Details of Changes	
		Section Reference	Description of Changes
0.0	19.12.13		First Issue
1.0	26.05.16	Section III	Inclusion of definition of Managing Director
		3.4.11	<p>“3.4.11 Decision making can be carried through a resolution in writing signed by majority of directors who may be present in Malaysia. Any such resolution may consist of several documents in like form, each signed by one or more directors or their alternates.”</p> <p>The change is made to follow the Company’s Articles of Association</p>
2.0	15.04.2019	Section I	Removal of reference to Corporate Governance & Risk Management as the Corporate Governance role has been assumed by the Legal & Secretarial Department
		Section II, 3.1-3, 3.4-5, 3.14, 5.1.2, 5.2,5.3 and 5.4	<p>Inclusion of the definition of ARMC, Board Committee, Code, LFG, Director, Company Secretary, CEO, Senior Management, Shareholder, Terms of Reference, LS, SGM, LS and MMLR.</p> <p>Accordingly, all references in view of the inclusion of the definitions above shall be amended or reflected</p>
		3.5.9	<p>“3.5.9 However, if the Board intends to retain an independent Director beyond nine (9) years, it shall provide justification and seek annual Shareholders’ approval. If the Board continues to retain the independent Director after the twelfth (12th) years, the Board shall seek the annual Shareholders’ approval through a two-tier voting process”</p> <p>The change is made pursuant to Principle A of the Code: Board Leadership and Effectiveness - Board Composition</p>

		3.7.7	<p>“3.7.7 The Board recognises that the composition of Board Committees may be subject to certain requirements and/or guidelines and/or recommendation and/or practice as prescribed by the MMLR. Accordingly, in line with the applicable requirements for the time being in force, no former audit key partner (“Former Audit Key Partner”) shall be appointed as a member of the ARMC unless the Former Key Audit Partner has observed a cooling-off period of at least two (2) years before being appointed as member of the ARMC”</p> <p>The change is made pursuant to Principle B of the Code: Effective Audit and Risk Management - Audit Committee</p>
3.0	17.06.2022	3.15	Director’ Fit and Proper Policy
		Appendix I	Directors’ Declaration of Fit and Proper

1.0 Company Goals

The Company is to excel as a profitable and competitive company. The following vision, mission and core values will collectively lead the Company to its future success:

Our Vision

Steering the industry towards a sustainable future.

Our Mission

Deliver world-class offshore support services driven by a continuous pursuit of excellence and anticipating industry needs. We are committed to delivering reliable, innovative, and sustainable solutions that propel the energy industry forward while fostering a sense of ownership among our employees, clients and shareholders.

Our Values

We hope to achieve our vision and mission guided by our core values:

- C - Communication
- A - Appreciation
- R - Reliable
- E - Efficiency & Effectiveness

2.0 Scope

This Charter is applicable to all members of the Board and Senior Management of the Company.

3.0 Board Governance Process

3.1 Role of the Board

3.1.1 The role of the Board is to provide strategic guidance to the Company and effective oversight of its Management, for the benefits of Shareholders and other stakeholders.

3.1.2 In performing its role, the Board shall act at all times:

- (a) In accordance with its overriding responsibility to act honestly and fairly and in accordance with the applicable law, in serving the interests of the Company's Shareholders, as well as its employees, customers and the community;
- (b) In a manner designed to create and build sustainable value in the Company for Shareholders;

- (c) In accordance with the duties and obligations imposed upon it by the constitution of the Company and by laws; and
- (d) With integrity and objectivity, and in accordance with the ethical and other standards set out in the Company's policies and codes of conduct.

3.1.3 In the normal course of events, day to day management of the Company will be in the hands of Management and under the stewardship of the MD/CEO.

3.1.4 The Board will satisfy itself that the Company is achieving the Company Goals.

3.2 Duties and Responsibilities of the Board

3.2.1 The Board is responsible to direct, and supervise the management of, the Business and affairs of the Company. The responsibilities of the Board include the following:

- (a) Ensuring that the Company Goals are clearly established, and that strategies are in place for achieving them;
- (b) Establishing policies for strengthening the performance of the Company including ensuring that Management is proactively seeking to build the Business through innovation, initiative, technology, new products and the development of its business capital;
- (c) Input into and final approval of major corporate strategy and annual budget;
- (d) Monitoring corporate performance and implementation of strategy and policy;
- (e) Approving and monitoring the progress of major capital expenditure, capital management and acquisitions/divestments;
- (f) Monitoring the performance of Senior Management and implementation of strategy and policies, including assessing whether appropriate resources are available;
- (g) Appointing the MD/CEO, setting the terms of the MD/CEO's employment contract and, where necessary, terminating the MD/CEO's employment with the Company;
- (h) Monitoring compliance with regulatory requirements and ethical standards;
- (i) Reviewing and ratifying systems of risk management and internal compliance controls, code of conducts, continuous disclosure, legal compliance and other significant policies;
- (j) Ensuring that succession planning of the Senior Management are in place;
- (k) Ensuring that the Company's financial statements are true and fair and conform with the relevant standards, rules and regulations;
- (l) Ensuring that the Company adheres to high standards of ethics and corporate behaviour;

- (m) Deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- (n) Monitoring Board composition, processes and performance;
- (o) Establishment of Board Committees, their membership and delegated authorities;
- (p) Approving and monitoring financial and other major reporting to the market, Shareholders, employees and other stakeholders;
- (q) Appointment, reappointment or replacement of the external auditors; and
- (r) Performing such other functions as are prescribed by law or are assigned to the Board.

3.3 Conduct of the Board

Each Director will ensure that no decision or action is taken that has the effect of placing his or her interest in priority to the interests of the Company.

Directors commit to the collective, group decision making process of the Board. Directors will debate issues openly and constructively, and be free to question or challenge the opinions presented at meetings where their judgment differs from other Directors or Management.

In discharging his / her duties, each Director must:

- (a) Exercise care and diligence;
- (b) Act in good faith and in the best interests of the Company;
- (c) Not improperly use his / her position or misuse information of the Company; and
- (d) Commit the time necessary to discharge effectively his / her role as a Director.

A Director shall not be present during, or participate in discussions or voting on matters put before the Board in which he / she may have a material personal interest unless the other members of the Board otherwise decide.

3.4 Board Procedures

- 3.4.1 The conduct of Directors will be consistent with their duties and responsibilities to the Company and indirectly to Shareholders. The Board will be disciplined in carrying out its role, with the emphasis on strategic issues and policy. Directors will always act within any limitations imposed by the Board on its activities.

3.4.2 Directors will use their best endeavours to attend Board meetings. Directors are expected to participate fully and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board. Directors unable to attend a meeting will advise the Chairman at an earlier date as possible and confirm in writing to the Company Secretary.

3.4.3 Board discussions will be open and constructive, recognizing that genuinely held differences of opinion could bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek a consensus in the Board but may, where considered necessary, call for a vote. All discussions and their record will remain confidential unless there is a specific direction from the Board to the contrary, or disclosure is required by law. Subject to legal or regulatory requirements, the Board will decide the manner and timing of the publication of its decisions.

3.4.4 Executive Directors attend Board meetings to discharge their Board responsibilities. At Board meetings, Board responsibilities supersede all executive responsibilities.

3.4.5 The Board has sole authority over its agenda and exercises this through the Chairman. Any Director may, through the Chairman, request the addition of an item to the agenda. The Chairman in consultation with the MD/CEO and the Company Secretary will set the agenda.

3.4.6 The Board will normally hold meetings at least four times in each financial year and will hold additional meetings as the situation requires.

3.4.7 Directors are entitled to have access, at all reasonable times, to all relevant company information and to Management.

3.4.8 Directors are expected to strictly observe confidentiality of the Company's information.

3.4.9 In making policy, the Board will not reach specific decisions unless it has considered the more general principles upon which they are founded, and in reaching other specific decisions, the Board will consider the policies against which the decisions are made.

3.4.10 The Board shall have access to Management and employees of the Company in discharging its duties and responsibilities in connection with any meeting of the Board or any of the Board Committees. The Board may invite Management, employees or any other person to attend meetings of the Board or of any Board Committees to assist in the discussion and examination of the matters under consideration by the Board or Board Committees.

3.4.11 Decision making can be carried through a resolution in writing signed by majority of Directors who may be present in Malaysia. Any such resolution may consist of several documents in like form, each signed by one or more directors or their alternates.

3.5 Board Composition

3.5.1 The Board is to comprise the following:

- (a) At least two (2) or one third (1/3) of the Board, whichever is higher, are independent directors; and
- (b) The MD.

3.5.2 The members of the Board will have an appropriate and broad range of qualifications and expertise.

3.5.3 Non-executive Directors will be active in areas which enable them to relate to the strategies of the Company and to make a meaningful contribution to the Board's deliberations.

3.5.4 The Board only considers Directors to be independent where they are independent of management and free from any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgment and have the ability to act in the best interest of the Company.

3.5.5 The composition of the Board will reflect the duties and responsibilities it is to discharge and perform as representative of the interests of Shareholders, and in setting the Company's strategy and seeing that it is implemented. The Board shall include a number of Directors which fairly reflects the investment in the Company by Shareholders other than the significant Shareholders.

3.5.6 Generally, the qualifications for Board membership are the ability and intelligence to make sensible business decisions and recommendations, an entrepreneurial talent for contributing to the creation of Shareholder value, the ability to see the wider picture, the ability to ask the hard questions, preferably some experience in the industry sector, high ethical standards, sound practical sense, and a total commitment to furthering the interests of Shareholders and the achievement of the Company Goals.

3.5.7 Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next annual general meeting of the Company but shall be eligible for re-election.

3.5.8 Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

3.5.9 The tenure of an independent director shall not exceed a cumulative term of nine years. Upon completion of the nine years, an independent director may continue to serve on the Board subject to the Director's re-designation as a non-independent director. However, if the Board intends to retain an Independent Director beyond nine (9) years, it shall provide justification and seek annual Shareholders' approval. If the Board continues to retain the Independent Director after the twelfth (12th) years, the Board shall seek the annual Shareholders' approval through a two-tier voting process.

3.6 Chairman of the Board

3.6.1 The Board will appoint a Chairman from among the Directors. The Chairman may be an independent or non-independent Director. If the Chairman of the Board is not an Independent Director, the Board must comprise a majority of independent Directors.

3.6.2 The position of Chairman of the Board and MD shall not be held by a single person. Clear separation of roles will promote constructive debate and discussion at the Board's level. Combining the two positions may render biasness and impair the ability and willingness of independent directors to exercise their independent judgment.

3.6.3 The Chairman is responsible for representing the Board to Shareholders.

3.6.4 The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board as set out in this Part 3.

3.6.5 The Chairman is responsible for maintaining regular dialogue with the MD/CEO over all operational matters and will consult with the remainder of the Board promptly over any matter that gives him cause for major concern.

3.6.6 The Chairman will act as facilitator at meetings of the Board to ensure that no Directors dominates discussion, that appropriate discussion takes place and that relevant opinion among Directors is forthcoming.

3.7 Board Committees

3.7.1 Board Committees are established to assist the Board in exercising its authority.

3.7.2 Board committees will be formed only when it is efficient or necessary to facilitate efficient decision-making.

3.7.3 Each Board Committee shall have their respective approved Terms of Reference.

3.7.4 Each Board Committee will have access to sufficient resources to carry out their activities effectively.

3.7.5 Board Committees will observe the same rules of conduct and procedure as the Board unless the Board determines otherwise.

3.7.6 Each Board Committee will assist the Board by focusing on the respective activities in accordance to the approved Terms of Reference, reporting to the Board on decisions, actions taken or making any necessary recommendations to the Board.

3.7.7 The Board recognises that the composition of Board Committees may be subject to certain requirements and/or guidelines and/or recommendation and/or practice as prescribed by the MMLR. Accordingly, in line with the applicable requirements for the time being in force, no former audit key partner (“Former Audit Key Partner”) shall be appointed as a member of the ARMC unless the Former Key Audit Partner has observed a cooling-off period of at least two (2) years before being appointed as member of the ARMC.

3.8 Board Nomination and Election Process

3.8.1 The Nomination and Remuneration Committee will review the composition of the continuing members of the Board and Board committee annually and make recommendation(s) to the Board for any new appointment to the Board or Board committees when necessary. The Board then determines whether or not to approve the recommendation of the new appointment.

3.8.2 The criteria used in assessment of new Directors before appointment to the Board shall include but not limited to:

- Skills and competency;
- Knowledge and expertise;
- Regional and industry experience;
- Academic and professional qualifications;
- Background, race, gender, age and nationality;
- High personal and professional ethics, integrity and values;
- Relationship-building;
- International reputation;
- Ability to devote the required amount of time to carry out the duties and responsibilities of Board membership;
- Financial capability and business stability to devote significant time, energy and resources; and
- Other directorship

3.9 Board and Member Evaluations

3.9.1 The Board will review the size and composition of the Board at least annually. The Board or via the Board committee, will also assess the Board's performance, at least annually, in order to confirm that its processes and procedures remain adequate to ensure that it is carrying out its functions as effectively as possible.

3.9.2 Individual Director will be evaluated by a process whereby the Board determines questions to be asked of each Director about him or herself and about each other including the Chairman, and the responses are collected and collated by the Chairman who then discusses the results with each Director. The Chairman's own position is discussed with the rest of the Board.

3.9.3 Independent Directors will be assessed by the Board annually to ensure he or she can continue to bring independence and objective judgment to the Board deliberations.

3.10 Other Board Appointment

Any Director is, while holding office, at liberty to accept other Board appointments so long as the appointment is not in conflict with the business and does not affect his performance as a Director.

A Director must not hold more than five (5) directorships in listed companies.

3.11 Independent Professional Advice

3.11.1 Any Director is entitled to obtain independent professional advice relating to the affairs of the Company or to his or her other responsibilities as a Director.

3.11.2 If a Director considers such advice is necessary he / she shall first discuss it with the Chairman and, having done so, shall be free to proceed.

3.11.3 Subject to the prior approval of the Chairman, the cost of the advice will be reimbursed by the Company but the Directors will ensure, so far as is practicable, that the cost is reasonable.

3.12 Provision of Business or Professional Services by Directors

3.12.1 Generally, Directors shall not provide business or professional services of an ongoing nature to the Company.

3.12.2 Notwithstanding the general rule, the Company is at liberty to:

- For the purpose of a special assignment, engage the services of any Director having special expertise in the particular field; or
- Engage the services of a party related to a Director; so long as the terms of engagement are competitive, are clearly recorded and all legal requirements for disclosure of the engagement are properly observed.

3.13 Board Succession Planning

3.13.1 The Board shall review its succession plans by assessing the Board composition which include information on board members, length of service, re-election, membership of Board committee and other directorships held by the individual Director which give the Board a clear picture of upcoming vacancies which will need to be filled.

3.13.2 Individual Directors will indicate their willingness whether to serve an additional term on the Board, if re-nominated, during the annual Directors' self-evaluation.

3.14 The Company Secretary

3.14.3 The appointment and removal of the Company Secretary shall be a matter of the Board as a whole.

3.14.4 The Company Secretary is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.

3.14.5 All Directors, particularly the Chairman, have access to the advice and services of the Company Secretary for the purposes of the Board's affairs and the Business.

3.15 Director' Fit and Proper Policy

3.15.1 In conjunction with Paragraph 3.8, 3.9 and 3.10, all members of the Board are required to have the necessary qualities, competencies and experience that allows them to perform their duties and carry out the responsibilities required of the position in the most effective manner.

3.15.2 The fit and proper assessment on any person identified to be appointed as a Director or to continue holding the position as a Director within the GROUP shall be conducted prior to the initial appointment or proposed re-election/re-appointment as a Director. The fit and proper assessment on a Director may also be conducted whenever the Company becomes aware of information that may materially compromise a Directors' fitness and propriety.

The NRC and the Board, in conducting the above fit and proper assessment, shall be guided by the Directors' Fit and Proper Policy as described in Paragraphs 3.15.3, 3.15.4 and 3.15.5 below.

3.15.3 Any person to be appointed as a Director or to continue holding the position as a Director within LFG GROUP must not be disqualified or deemed to be disqualified or vacated his office pursuant to Companies Act 2016 and/or Bursa Malaysia Listing Requirement.

In assessing a person's fitness and propriety, the Board through its NRC, shall consider all relevant factors based on the following overarching criteria:-

- Character and Integrity;
- Experience and Competence; and
- Time and Commitment.

3.15.4 The NRC shall determine the specific factors for its consideration in a fit and proper assessment, having regard to the circumstances and requirements relevant to LFG GROUP. Amongst the key factors that underpin the above overarching criteria are as outlined below, which would be assessed by the NRC taking into account their relative importance.

(a) Character and Integrity;

(i)	Probity	<ul style="list-style-type: none"> • He/ She is compliant with the legal obligations, regulatory requirements and professional standards, where applicable; • He/ She has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law;
(ii)	Personal Integrity	<ul style="list-style-type: none"> • He/ She has not perpetrated or participated in any business practices which are deceitful, oppressive, improper (whether unlawful or not), or which otherwise reflect discredit on his/her professional conduct; • His/ Her service contract (i.e. in the capacity of management or as a director) had not been terminated in the past due to concerns on his/her personal integrity; • He/ She has not abused other positions (that he/she has held) in a manner that contravenes the principles of good governance;
(iii)	Financial Integrity	<ul style="list-style-type: none"> • He/ She manages personal debts or financial affairs satisfactorily. • He/ She demonstrates the ability to fulfill personal financial obligations as and when they fall due;
(iv)	Reputation	<ul style="list-style-type: none"> • He/ She is of good repute in the financial and business community; • He/ She has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years; • He/ She has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management;

(b) Experience and competence;

(i)	Qualifications, training and skills	<p>He/ She possesses education qualification that is relevant to the skill set that such director is earmarked to bring or to bear onto the boardroom (i.e. a match to the Board skill set matrix);</p> <ul style="list-style-type: none"> • He/ She has a considerable understanding on the workings of a corporation; <p>He/ She possesses general management skills as well as understanding of corporate governance, and appreciation of sustainability issues;</p> <ul style="list-style-type: none"> • He/ She keeps knowledge current based on continuous professional development; • He/ She possesses leadership capabilities and a high level of emotional intelligence.
(ii)	Relevant experience and expertise	<p>He/ She possesses relevant experience and expertise with due consideration given to past length of service, nature and size of business, responsibilities held, number of subordinates as well as reporting lines and delegated authorities;</p> <ul style="list-style-type: none"> • He/ She had a career of occupying a high level position in a relevant organization, and was accountable for driving or leading the organisation's governance, business performance or operations; <p>He/ She possesses commendable past performance record as gathered from the results of the Board Effectiveness Evaluation.</p>
(iii)	Relevant past performance of track record	<p>He/ She had a career of occupying a high level position in a relevant organization, and was accountable for driving or leading the organisation's governance, business performance or operations;</p> <ul style="list-style-type: none"> • He/ She possesses commendable past performance record as gathered from the results of the Board Effectiveness Evaluation.

(c) Time and commitment

(i)	Ability to discharge role having regard to other commitments	<ul style="list-style-type: none"> • He/ She is able to devote time as a Board member, having factored other outside obligations including concurrent board positions held by the director across listed issuers and non-listed entities (including not-for-profit organisations)
(ii)	Participation and contribution in the Board or track record	<ul style="list-style-type: none"> • He/ She demonstrates willingness to participate actively in Board activities; • He/ She demonstrates willingness to devote time and effort to understand the business and exemplifies readiness to participate in events outside the Boardroom; • He/ She manifests passion in the vocation of a director; • He/ She exhibits ability to articulate view independently, objectively and constructively • He/ She exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

3.15.5 A person who has been identified for appointment as a Director or for re-appointment/re-election as a Director within the GROUP shall be required to make the fit and proper declaration in the form as set out in Appendix 1 of this Board Charter or in such other forms as the NRC may from time to time prescribe or approve.

3.15.6 The Nomination and Remuneration Committee will evaluate candidates for new appointment as Director based on the fit and proper criteria before recommending to the Board for approval.

3.15.7 For re-appointment of Directors, the Directors will be evaluated based on the Board Evaluation Form. The Nomination and Remuneration Committee has the power not to recommend to the Board the re-appointment of retiring Directors who do not meet requirements.

3.15.8 For new appointments, the candidates are required to complete the Candidate for Directorship profile. The candidates will also be required to complete a self-declaration of fit and proper form and authorize the Company to perform background check, if necessary, which may cover previous employment verification, professional reference checks, education confirmation and/or criminal record and credit checks.

3.15.9 The Information gathered from the assessments shall be for the Nomination and Remuneration Committee's strict use for the purpose of the assessment and not for public disclosure.

4.0 Stakeholders Management

The Board will ensure that the Company puts in place and review as required, a comprehensive communication policies to address how the Company:

- (a) Interacts with Shareholders, other stakeholders, public, media, government bodies and authorities; and
- (b) Complies with its continuous and timely disclosure requirements.

The Board will use its best endeavors to familiarize itself with issues of concern to Shareholders.

The Board will regularly evaluate economic, political, social and legal issues and any other relevant external matters that may influence or affect the development of the Business or the interests of Shareholders and, if thought appropriate, will take outside expert advice on these matters.

5.0 Board-Management Relationship

5.1 Role of Chairman

5.1.1 The Chairman is principally responsible for the working of the Board which include: -

- Providing overall leadership to the Board, without limiting the principle of collective responsibility for Board decisions;
- Participating in the selection of Board members and ensuring that the membership is properly balanced;
- Chairing meetings of the Board in such a manner that will stimulate debate on the issues before the Board and encourage the most effective contribution from each Director. The Chairman shall ensure that the agenda and all necessary background paper are given to Directors in sufficient time to enable the papers to be adequately considered before the meeting;
- Reviewing the minutes of meetings of the Board before meeting, to ensure they accurately reflect the Board's deliberations, and matters arising from the minutes and on which further action is required have been addressed;
- Monitoring Board performance as a whole;

- Ensuring membership of the Board is appropriately skilled to meet the needs of the Company;
- Assisting in Board discussions to address the key issues facing the Company;
- Initiating the establishment of Board Committees and ensuring that they achieve their objectives;
- Guiding and promoting the ongoing efficacy and development of the Board and its individual Directors; and
- Fastening high corporate governance.

5.1.2 The Chairman acts as an informal link between the Board and Management and particularly between the Board and the MD/CEO. No company is likely to run effectively and efficiently unless there is a good working relationship between the Chairman and the MD/CEO.

The Chairman, along with all other Directors, should recognize that the MD/CEO is the leader of the Company in all matters of Management and should not expect to become involved in the Company's day-to-day operations. It is the MD/CEO responsibility to report to the Board as a whole and not just to the Chairman.

The Chairman expects to be kept informed by the MD/CEO of all important matters and makes himself available to the MD/CEO:

- To be part of the control mechanism in ensuring that the MD/CEO's decisions are properly considered and sound;
- To give assistance and advice when needed especially on sensitive matters which the MD/CEO feels unable to discuss with other executives;
- To ensure that the MD/CEO understands properly and performs his side of the relationship; and
- To oversee Management establishes adequate control mechanism to cover compliance responsibilities and risk management.

5.1.3 The Board communicates with Shareholders at Shareholders' meetings and through the distribution of its annual reports. The Chairman normally chairs these meetings where he will use this as an opportunity to inform Shareholders of the Company's affairs including its performance.

This role calls for special skills and personal qualities that allow and encourage shareholders to have their say while remaining relevant to the matter at issue, and the Chairman must also have capability to summarize and unify thoughts and ideas and in control of the meeting.

5.1.4 The Chairman also leads the role in presenting the Company's cause, whether formally or informally, with the authorities, institutional or potential investors and those having influence on the environment in which the Company operates.

5.2 Role of MD/CEO

5.2.1 The Board will link the Company's governance and management functions through the MD/CEO.

5.2.2 All Board authority conferred on Management is delegated through the MD/CEO so that the authority and accountability of Management is considered to be the authority and accountability of the MD/CEO so far as the Board is concerned.

5.2.3 The MD/CEO manages the Company in accordance with the strategy, business plans and policies approved by the Board to achieve the Company Goals.

5.2.4 The Board will agree with the MD/CEO to achieve specific results directed towards the Company Goals. This will usually take the form of an annual performance contract under which the MD/CEO is authorized to make any decision and take any action within the Management Limitations, directed at achieving the Company Goals.

5.2.5 The Chairman maintains an informal link between the Board and the MD/CEO and is available to the MD/CEO to provide counsel and advice where appropriate. The MD/CEO is expected to keep the Chairman and the Board informed on important matters.

5.2.6 Only decisions of the Board acting as a body are binding on the MD/CEO. Decisions or instructions of individual Directors, officers or committees are not binding except in those instances where specific authorization is given by the Board.

5.3 Accountability of MD/CEO to the Board

The MD/CEO, in association with the Chairman, is accountable to the Board for the achievement of the Company Goals and the MD/CEO is accountable for the observance of the Management Limitations.

5.4 Management Limitations

5.4.1 The MD/CEO is expected to act within all specific authorities delegated to him by the Board.

5.4.2 The MD/CEO is expected not to cause or permit any practice, activity or decision that is contrary to commonly accepted good business practice or professional ethics.

5.4.3 In allocating the capital and resources of the Company, the MD/CEO is expected to adhere to the Company Goals.

5.4.4 The MD/CEO is expected not to cause or permit any action without taking into account the health, safety, environment and political consequences and their effect on long-term shareholders' value.

5.4.5 The MD/CEO is expected not to cause or permit any action that is likely to result in the Company becoming financially embarrassed.

5.4.6 The assets of the Company are expected to be adequately maintained and protected, and not unnecessarily placed at risk. In particular, the Company must be operated with a comprehensive system of internal control, and assets of funds must not be received, processed or disbursed without controls that, as a minimum, are sufficient to meet standards acceptable to the Company's external auditors.

5.4.7 The MD/CEO is expected not to permit employees and other parties working for the Company to be subjected to treatment or conditions that are undignified, inequitable, unfair or unsafe.

5.4.8 The MD/CEO is expected not to cause or permit payments to be made or rewards given unless they are in return for contributions towards the purposes of the Business and are proportional to the extent that the contribution in.

DIRECTORS' DECLARATION OF FIT AND PROPER

Name: _____ NRIC/Passport No.: _____ do hereby solemnly affirm and declare the following:-

No.	Criteria	Yes	No
Probity, Personal Integrity and Reputation			
1.	I have not been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any impending proceedings or of any investigations, which might lead to such proceedings;		
2.	I have not contravened any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice;		
3.	I have not contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies;		
4.	I or any business in which I have a controlling interest or exercise significant influence, have not been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately;		
5.	I have not been engaged in any business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on my professional conduct		
6.	I have not been dismissed, asked to resign or have resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions on my honesty and integrity;		
7.	I have not been associated, in ownership or management capacity, with a company, partnership or other business association that has been refused registration, authorisation, membership or a licence to conduct any trade, business or profession, or has had that registration, membership or licence revoked, withdrawn or terminated;		
8.	I have not held a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation while I was connected with that business;		

9.	I have not been a director of, or have been directly concerned in the management of, any corporation which is being or has been wound up by a court or other authority competent to do so within or outside Malaysia, or of any licensed institution, the licence of which has been revoked under any written law;		
10.	In the past, I have not acted unfairly or dishonestly in my dealings with my customers, employer, auditors and regulatory authorities;		
11.	I have not at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities and failure to comply with legal, regulatory and professional requirements and standards, compliance with tax requirements and obligations;		
12.	I have not contributed significantly to the failure of an organisation or a business unit;		
13.	I have not at any time shown strong objection or a lack of willingness to maintain effective internal control systems and risk management practices; and		
14.	I am free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of my judgement when acting in the capacity of a Director of LFG Group which would be disadvantageous to LFG GROUP's interest.		
Financial Integrity			
15.	I am and will be able to fulfil my financial obligations, whether in Malaysia or elsewhere, as and when they fall due;		
16.	To my knowledge, I have not been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.		
17.	I have not made arrangements with creditors, filed for bankruptcy or been adjudicated a bankrupt or had assets sequestered in any jurisdiction.		

* Where you have not ticked 'YES', please explain and/or provide the relevant documents

Explanation for items not ticked "YES"	
No.	Explanation

(Signature)
Date: