COMPUGATES®

COMPUGATES HOLDINGS BERHAD

BOARD CHARTER

Reviewed and Adopted by the Board of Directors on 27 Nov 2025

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1. INTRODUCTION

The Board of Directors ("Board") of Compugates Holdings Berhad ("CHB" or "the Company") regard corporate governance as vitally important to the success of CHB's business and are unreservedly committed to apply the principles necessary to ensure that the following principles of good governance are practised in all of its business dealings in respect of its shareholders and relevant stakeholders:-

- The Board is the focal point of the Company's corporate governance system. It is ultimately accountable and responsible for the performance and affairs of the Company.
- All Board members are expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regards to their fiduciary duties and responsibilities.
- This Board Charter shall continue and form an integral part of each Directors' duties and responsibilities.

2. OBJECTIVES

The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good corporate governance are applied in all their dealings in respect of and on behalf of the Company.

3. THE BOARD

3.1 SIZE AND COMPOSITION

- The Group is led and managed by an effective and experienced Board comprising members with a wide range of experience and qualifications. The presence of the Independent Non-Executive Directors on the Board and in meetings ensures that decisions made by the Board remains objective and independent and that the interests of minority shareholders are addressed and are accorded with due consideration.
- The Constitution of the Company provides for minimum of two (2) Directors and a maximum of twelve (12) Directors. Pursuant to Paragraph 1.01 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), at any one time, at least two (2) or one-third (1/3) of the Board members, whichever is the higher, shall be independent directors.
- The Board is cognisant of the recommended practice under the Malaysian Code on Corporate Governance 2021 ("MCCG") that at least half of the Board should comprise independent directors.
- The Board shall from time to time examine its size and composition to determine its appropriateness.
- The Board recognises the need for the composition to reflect a range of skill mix and expertise. High levels of professional skills and appropriate personal qualities are pre-requisite for directorships. Without limiting the generality of the foregoing and to qualify for Board membership, members must have the ability to make informed business-relevant recommendations, entrepreneurial talent for contributing to the creation of shareholders'

value, perspectives to understand current emerging issues of the Group's business, inquisitive, highly ethical, and unreserved commitment to furthering the interests of shareholders and other stakeholders in the pursuit of achieving the Company's goals. No individual or small group of individuals should be allowed to dominate the Board's decision-making process.

3.2 NOMINATION AND APPOINTMENTS

The members of the Board are appointed in a formal and transparent process whereby the Nomination Committee ("NC") is responsible to:

(a) identify candidates suitably qualified to become Board members; and
(b) make recommendations to the Board of such individuals for appointment.

The Board will assess the shortlisted candidates and arrive at a decision on the appointment of the Director. The Company Secretary will ensure that all appointments are properly made, and all legal and regulatory obligations are satisfied and complied.

In making the recommendation to the Board, the NC will consider the required mix of skills, experience, character, integrity, competence, time commitment and diversity, where appropriate, which the new Director can bring to the Board. The Board may utilise independent sources to identify a suitably qualified candidate.

All Board members shall notify the Chairman of the Board before accepting any new directorship in other public listed companies. The notification shall include an indication of the time that will be spent on the new appointment. The Chairman shall also notify the Board if he has any new directorship or significant commitments outside the Company. Each Board member shall not hold directorships at more than five (5) public listed companies.

Upon appointment, new Directors are provided with comprehensive information on the Group to enable them to gain a better understanding of the Group's strategies and operations, and hence allow them to effectively contribute to the Board.

3.3 DIRECTORS' FIT AND PROPER POLICY

All Board members 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.

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 as a Director.

3.4 TENURE OF INDEPENDENT DIRECTOR

The tenure of an Independent Director should not exceed a cumulative term of nine (9) years or such other period as may prescribed under the MMLR. Upon completion of nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director.

If the Board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Under the two-tier voting process, the shareholders' votes will be cast in the following manner at the same shareholders meeting:

- Tier 1: Only the Large Shareholder(s) of the Company votes; and
- Tier 2: Shareholders other than Large Shareholders votes.

"Large Shareholder(s)" means a person who:

- is entitled to exercise, or control the exercise of, not less than 33% of the voting shares in the Company;
- is the largest shareholder of voting shares in the Company;
- has the power to appoint or cause to be appointed a majority of the Directors of the Company; or
- has the power to make or cause to be made, decisions in respect of the business or administration of the Company, and to give effect to such decisions or cause them to be given effect to.

The decision for the resolution in determined based on the vote of Tier 1 and a simple majority of Tier 2. If there is more than one Large Shareholder, a simple majority of votes determine the outcome of the Tier 1 vote.
The resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution. However, the resolution is deemed to be defeated where the vote between the two tiers differs or where Tier 1 voter(s) abstained from voting.

3.5 RE-ELECTION

Pursuant to the Company's Constitution, an election of Directors shall take place each year at the annual general meeting of the Company where one-third (1/3) of the Directors for the time being, or, if the number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office provided always that all Directors shall retire from office once in each three (3) years but shall be eligible for re-election.

The Directors to retire in every year shall be the Directors who have been longest in office since their last election, but as between those who became Directors on the same day, the Directors to retire shall (unless they otherwise agree among themselves) be determined by lot.

Any Director appointed by the Board during the financial year shall hold office until the next annual general meeting of the Company and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

The independence of each Director is reviewed annually, and individual Directors do not participate in assessing their own independence.

3.6 BOARD COMMITTEES

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

- As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions to the following Board Committees with each operating within its clearly defined terms of reference:

  (a) Audit Committee;
  (b) Nomination Committee;
  (c) Remuneration Committee; and

(d) Risk Management Committee.

- The Chairman of the respective Board Committees shall report to the Board on the key issues and outcomes deliberated by the Board Committees at the Board meetings.

3.7 ROLE AND RESPONSIBILITIES OF THE BOARD

3.7.1 ROLE OF BOARD

- The Board is in charge of leading and managing the Company in an effective and responsible manner. The Board takes full responsibility for the performance of the Company and guides the Company towards achieving its short and long-term objectives, setting corporate strategies for growth and new business development while providing advice and direction to the Management to enable the Company to achieve its corporate goals and objectives.
- A Director shall always exercise his powers in good faith in the best interest of the Company and shall act honestly and use reasonable care, skill and diligence in the discharge of the duties of his office and shall not make use of any information acquired by virtue of his position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company.

- A Director shall always avoid conflicts of interest and shall as soon as practicable after the relevant facts have come to his knowledge, declare the nature of his interest at a meeting of the directors of the Company. Every Director shall give notice to the Company of such events and matters relating to him expediently to enable the Company and its officers to comply with the requirements of the Companies Act 2016 ("CA 2016").

- The key responsibilities of the Board are as follows:

(a) Review and approve the corporate plan for the Group;
(b) Review and approve strategic initiatives including corporate business restructuring or streamlining and strategic alliances, to ensure that they support long-term value creation and take into account economic, environment and social considerations underpinning sustainability;
(c) Oversee the conduct of the Group's businesses to evaluate whether the businesses are being properly managed and monitor their implementation;
(d) Promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
(e) Review, challenge and decide on Management's proposals for the Company, monitor its implementation by the Management;
(f) Assess and identify the principal risks of the Group's business and ensuring the implementation of appropriate systems to manage these risks;
(g) Set the risk appetite within which the Board expects Management to operate, and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
(h) Approve the nomination, selection, succession policy, and remuneration packages for the Board members, Board Committee members, Nominee Directors on the functional Boards of the subsidiaries and the Principal Officers, and the annual manpower budget for the Group, including managing succession planning, appointing, training, fixing the compensation of, and ensure the right executive leadership;
(i) Approve the appointment, resignation or removal of Company Secretaries of the Company;
(j) Oversee the development and implementation of investor relations programme for the Group, where necessary;

(k) Review the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines (including the securities laws, CA 2016, and AMLR);
(l) Review and approve the quarterly reports and annual financial statements;
(m) Review and approve the Audit and Risk Management Committee ("ARMC") Report and Statement of Risk Management and Internal Control for the Annual Report;
(n) Prepare a Corporate Governance ("CG") Overview Statement and CG Report in compliance with the MCCG for the Annual Report;
(o) Review and approve the capital expenditure, purchase of fixed assets, operating expenditure, variation order and any other matters in accordance with the Authority Limits as stated under item 17 of this Board Charter;
(p) Approve the appointment of external auditors and fix their related audit fees; and
(q) Ensure the integrity of the Company's financial and non-financial reporting.

3.7.2 ROLE OF CHARIMAN

- The roles of the Chairman and Chief Executive Officer are strictly separated.

- The Chairman is responsible for:-

(a) Promotes constructive and respectful relations between Board members, and between the Board and the Management.
(b) Provides leadership to the Board.
(c) Ensures that appropriate procedures are in place to govern the Board's operation.
(d) Leads the Board in establishing and monitoring good corporate governance practices in the Company.
(e) Chairs general meetings of the Company and provides clarification on issues that may be raised by the shareholders.
(f) Ensures compliance with all relevant regulations and legislation.
(g) Set the Board agenda and ensuring that the Directors receive complete and accurate information in a timely manner.
(h) Leading the Board meetings and discussions.
(i) Encouraging active participation of the Board members and allowing dissenting vies to be freely expressed.
(j) Ensuring appropriate steps are taken to provide effective communication with stakeholders and their views are communicated to the Board as a whole.

3.7.3 ROLE OF GROUP CHIEF EXECUTIVE OFFICER

- The Group Chief Executive Officer is responsible for:-

(a) strategic business direction, plans and policies of the Group.
(b) the efficient and effective operation of the Group.
(c) day-to-day management of the Group with all powers, discretions and delegations authorised, from time to time, by the Board.
(d) bringing material matters to the attention of the Board in an accurate and timely manner.
(e) accountable and responsible for the Group's operations and financial performance.
(f) develop an organisational structure with the necessary succession planning.
(g) promote communications internally and externally for the Group as the chief communicator by monitoring the goals, visions, missions and challenges.

(h) maintain a friendly environment and develop organisation culture, values and reputation in its markets.

3.8 DIRECTORS' REMUNERATION

- The Board will determine the level of remuneration of Board Members, taking into consideration the recommendations of the Remuneration Committee.
- Non-Executive Directors will be paid a basic fee as ordinary remuneration and they will also be paid a sum based on their responsibilities in the Board Committees and for their attendances at meetings. The fee shall be a fixed sum and not by a commission or percentage of profits or turnover.
- The fees and any benefits payable to the Directors (including any compensation for loss of employment of the Director or any former Director) or any increase thereof shall from time to time be determined by an ordinary resolution of the Company in general meeting.

3.9 ASSESSMENT OF THE BOARD AND BOARD MEMBERS

- The Chairman keeps under review, informally, the contributions made by every Board Members.
- The Nomination Committee is given the task to review annually the activities and effectiveness of the Board, Board Committees and the Board Members.
- The Chairman of the Nomination Committee oversees the overall evaluation process.
- The Nomination Committee is required to report annually an assessment of the Board's and its committees' performance. The assessment report together with the report on the Board balance (required mix of skills and experience and other qualities) will be discussed with the Board. This exercise is carried out after the end of each financial year or such other time as may be deemed appropriate.

3.10 RELATIONSHIP OF THE BOARD WITH THE MANAGEMENT

3.10.1 ACCESS TO MANAGEMENT AND INFORMATION

- Board Members should be given unrestricted access to the Group's Management and to the information pertaining to the Company and/or Group including from the Company and/or Group's auditors and consultants.
- Board Members must use proper judgement to ensure that the contact is not distracting to the business operations of the Group and function of Management. Any such contact must be made through the Group Chief Executive Officer.

3.10.2 POSITION OF CHIEF EXECUTIVE OFFICER

- The Board will link the Company's governance and management functions through the Chairman with the Chief Executive Officer.
- All Board authority conferred on Management is delegated through the Chief Executive Officer so that the authority and accountability of management is considered to be the authority and accountability of the Chief Executive Officer so far as the Board is concerned.

3.10 ACCOUNTABILITY OF CHIEF EXECUTIVE OFFICER .3

- The Chief Executive Officer is accountable to the Board for the achievement of the Company's goals.

- The Chief Executive Officer shall be the head of the Management of the Company and the Group and in that capacity is answerable to the Board.

3.11 RELATIONSHIP BETWEEN THE BOARD AND SHAREHOLDERS, INSTITUTIONAL INVESTORS, PRESS, CUSTOMER, ETC

- The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.

- The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.

- The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

3.12 RELATIONSHIP WITH OTHER STAKEHOLDERS

- In the course of pursuing the vision and mission of the Company, the Board recognizes that no Company can exist by maximising shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.

- It is the Company's responsibility to integrate ethical practices into all aspects of the business operations to ensure long-term sustainability of business.

- The Company encourages the practice of high ethical standards and to upgrade the level of Corporate Conduct to cover 4 main criteria as follows:-

  (a) Market Place

  - The Company is committed to uphold the corporate responsibility practices and to enhance the economic responsibilities by creating a good return to safeguard its shareholders' investment.
  - The Company is responsible to strive to develop and provide products and services which offer value in terms of price, quality, safety and environmental impact.
  - The Company acknowledges the importance of good corporate governance and ensures adherence to the MCCG and to comply with the CA 2016, MMLR, rules and regulations.

  (b) Work Place

  - The Company acknowledges that the employees are invaluable assets and play a vital role in achieving the vision and mission of the Company.
  - The Company adopts comprehensive and documented policies and procedures with respect to the following:-

(i) Occupational safety and health with the objective of providing a safe, conducive and healthy working environment for all employees; and
(ii) Industrial relations with the objectives of managing employees' welfare and well-being in the workplace.

(c) Environment

- The Company acknowledges the need to safeguard and minimise the impact to the environment in the course of achieving the Company's vision and mission.
- The Company adopts comprehensive and documented policies and procedures as part of its commitment to protect the environment and to contribute towards sustainable development.
- The Company supports initiatives on environmental issues.

(d) Community

- Company shall play a vital role in contributing towards the welfare of the community in which it operates.
- The Company supports charitable causes and initiatives on community development projects.

3.13 COMPANY SECRETARY

- The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.

- 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.

- The Board members have unlimited access to the professional advice and services of the Company Secretary.

3.14 CONFLICT OF INTEREST

Directors must at all times act in the best interests of the company and avoid situations that may give rise to actual, potential, or perceived conflicts of interest.

* A conflict of interest arises when a director's personal, professional, or business interests interfere, or may be perceived to interfere, with the interests of the company. This includes but is not limited to situations where a director, directly or indirectly:

(a) Has a material interest in a transaction or arrangement with the company;
(b) Receives improper personal benefits by virtue of their position in the Company;
(c) Engages in activities that compete, or appear to compete, with the business of the Company.

* Directors must make full and timely disclosure to the Board of any actual, potential, or perceived conflict of interest, as soon as they become aware of it, in accordance with the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

* Any director who has a conflict of interest in a matter under consideration shall abstain from deliberation and voting on the relevant resolution.

* The board, through the chairman or the company secretary, will maintain a register of directors' interests and ensure appropriate procedures are in place for managing conflicts in accordance with applicable laws, regulations, and corporate governance best practices.

4 MEETINGS

4.1 BOARD MEETING

- Meetings will be conducted at a regular interval throughout the year. A timetable will be prepared and circulated to all Directors required to attend the meeting.

- The quorum for a Board Meeting is a minimum of 2 members.

- A member of the Board, or a committee of the Directors, may participate in a meeting of the Board or the committee of the Directors by means of a conference telephone, electronic or any communication facilities which allows all persons participating in the meeting to hear each other. A participant shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly notwithstanding the fact that he is not physically present at the venue where the meeting is to be held. The meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

- Proceedings of all meetings are minuted and signed by Chairman of the meeting. Minutes of all Board meetings are circulated to the Directors and approved by the Board at the subsequent meeting.

- Actions on all matters arising from any meeting are reported at the following meeting.

- The Board may invite external parties such as auditors (both internal and/or external auditors), solicitors or consultants as and when the need arises. Such invited parties may attend part or all of the Board Meeting at the discretion of the Board.

4.2 ANNUAL GENERAL MEETING (AGM)

- The Company regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.

- The Chairman and, where appropriate, the CEO responds to shareholders' queries during the meeting. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.

4.3 EXTRAORIDNARY GENERAL MEETING (EGM)

- The Directors will consider requisitions by shareholders to convene an EGM or any other urgent matters requiring immediate attention of the Company.

5. REVIEW OF BOARD CHARTER

This Board Charter shall be periodically reviewed and updated by the Board taking into consideration the needs of the Group as well as any development in rules and regulations that may have an impact on the discharge of the Board's duties and responsibilities.