

OCEANCASH PACIFIC BERHAD (590636-M)

BOARD CHARTER

1. INTRODUCTION

Good corporate governance is recognised globally as fundamental to every organisation to achieve its competitiveness, sustainability and growth. The Board of Directors (“Board”) of Oceancash Pacific Berhad (“OCP” or “Company”) is accountable and responsible for the affairs and performance of the Company, including practising a high level of good corporate governance. All Board members are expected to act in a professional manner and to show good stewardship, as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

2. PURPOSE

This Board Charter outlines the composition, authority, roles and responsibilities, functions and operations of the Board and to enhance the communication and coordination between the Board and the senior management.

This Board Charter would act as a source reference and primary induction to provide insights to prospective Board members and senior management.

3. THE BOARD

3.1 Board Composition

(a) Composition and Size

The Board consists of qualified individuals with diverse experiences, expertise, skills and knowledge necessary to govern the Company. The composition and size of the Board is such that it facilitates decision making of the Company.

The Articles of Association of the Company provides for a minimum of two (2) and a maximum of fifteen (15) directors. At any one time, the Board shall consist of at least two (2) or one-third (1/3), whichever is higher, of the Board members who are Independent Directors.

The Board shall appoint a Senior Independent Director who will attend to any query or concern raised by shareholders.

The composition and size of the Board are reviewed from time to time to ensure its appropriateness.

(b) Appointment and Re-election

The appointment of a new director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination Committee.

The Articles of Association of the Company provides that all directors shall retire from office at least once every three (3) years and shall be eligible for re-election.

(c) Independence

An Independent Non-Executive Director is independent of management and free of any significant business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their independent judgement and who otherwise meet the criteria for independence.

The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations.

The Independent Directors help to ensure that the interests of all shareholders are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

The Board undertakes to assess the independence of the Independent Directors on an annual basis by taking into consideration their disclosed interests and having regard to the criteria for assessing the independence of directors in its annual board assessment.

(d) Tenure of Independent Director

The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. The Board will justify the continuity of such Independent Director by making recommendation to and seeking approval of the shareholders in general meeting to remain as an Independent Director.

3.2 Roles and Responsibilities

The Board assumes, amongst others, the following roles and responsibilities :

- (1) Reviewing and adopting the overall strategic plans and policies for the Company and the Group to ensure objectives are met;
- (2) Ensuring high standards of ethics and corporate behaviour in the conduct of business;
- (3) Identifying key risk factors and implementation of a proper risk management system to manage such risks;
- (4) Establishing a succession plan;
- (5) Developing and implementing a shareholder communication policy for the Company;
- (6) Reviewing the adequacy and the integrity of the management information and internal control systems of the Company and the Group;
- (7) Approval of corporate plans and programmes;
- (8) Approval of annual budgets including major capital commitments;

- (9) Approval of new business ventures;
- (10) Approval of material acquisitions and disposals of undertakings and properties;
- (11) Changes to the management and control structure within the Company and the Group including key policies and delegated authority limits.

3.3 Chairman and Chief Executive Officer (“CEO”)

The Chairman and CEO is an executive member of the Board. The Board feels that given the Chairman’s capability to show leadership and his entrepreneurship skills, business acumen and his vast experience in the industry, the arrangement to maintain him as CEO and as Executive Chairman of the Company is in the best interest of the Group. The Board will take steps to ensure its composition is in line with the recommendations of the Malaysian Code of Corporate Governance.

The responsibilities of the Chairman, amongst others, are as follows :

- (1) To lead the Board in setting the values and standards of the Company;
- (2) To promote constructive and respectful relations with and between the directors, the Board and the management;
- (3) To ensure effective communication with shareholders and relevant stakeholders;
- (4) To ensure efficient conduct of Board meetings and functions;
- (5) To facilitate the effective contribution of all directors at Board meetings.

The responsibilities of the CEO, amongst others, are as follows :

- (1) Accountable for overseeing the day-to-day operations to ensure the smooth and effective running of the Group;
- (2) Responsible for the development and implementation of the corporate strategies for the Group and to implement the policies and decisions adopted by the Board;
- (3) Ensure financial management practice is performed with transparency and the business and affairs of the Group are carried out in an ethical manner and in compliance with the relevant laws and regulations;
- (4) Ensure an effective management succession plan is in place to sustain continuity of operations;
- (5) Act as a channel between the Board and the management in ensuring the success of the Company’s governance and management functions.

3.4 Board Committees

The Board may from time to time establish Committees as is considered appropriate to assist in carrying out its duties and responsibilities. The Board delegates certain functions to the following Committees to assist in the execution of its responsibilities :

- (1) Audit Committee
- (2) Nomination Committee
- (3) Remuneration Committee

The Committees shall operate under clearly defined terms of reference. The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings and such reports or minutes will be included in the Board papers.

4. PERFORMANCE

4.1 Directors' Assessment / Board Evaluation

The Board recognises the importance of assessing the effectiveness of individual directors, the Board as a whole and its Committees. The review and evaluation of the Group is performed on an annual basis.

4.2 Directors' Training / Continuing Education

In addition to the Mandatory Accreditation Programme as required by the Bursa Malaysia Securities Berhad ("Bursa Securities"), the directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes. This will enable the directors to effectively discharge their duties and sustain active participation in the Board deliberations.

The Board shall assess the training needs of the directors from time to time.

5. MEETINGS

5.1 Board Meetings

The Board shall conduct at least four (4) scheduled meetings annually with additional meetings to be convened as and when necessary.

Prior to the convening of the Board meeting, all directors are well informed of the scheduled date for the meeting and board papers embracing detailed information will be distributed in advance to the directors for deliberation during the Board meeting.

5.2 General Meetings

The Company regards the Annual General Meeting ("AGM") as an important 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 shareholders.

The Chairman encourages active participation by the shareholders during the AGM. To encourage poll voting during the AGM, the Chairman shall inform shareholders of their right to demand for a poll at the commencement of the meeting.

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

The Board will consider requisitions by shareholders to convene an Extraordinary General Meeting ("EGM") on any other urgent matters requiring immediate attention of the Company.

6. REMUNERATION POLICIES

The Company aims to set remuneration at levels which are sufficient to attract, retain and motivate the Executive Directors needed to manage the Group's operations successfully, taking into consideration all relevant factors including the functions and responsibilities involved, but without paying more than is necessary.

In the case of Non-Executive Directors, the level of remuneration reflects the contribution and level of responsibilities undertaken by the particular Non-Executive Director.

7. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

The directors, collectively or individually, may seek independent professional advice and information in the furtherance of their duties at the Company's expense so as to ensure the directors are able to make independent and informed decisions.

The directors shall be entitled to have access to the senior management, internal and external auditors at any time to request for relevant and additional information or to seek explanations.

8. FINANCIAL REPORTING

In presenting the annual financial statements and quarterly announcements to the shareholders, including other price sensitive public reports and reports submitted to regulators, the Board aims to present a balanced and understandable assessment of the Group's position and prospects.

The Board ensures that the financial statements are prepared in accordance with the Companies Act and the applicable approved accounting reporting standards so as to give a true and fair view of the state of affairs of the Company and the Group.

9. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

The Board shall place great importance in ensuring a high standard of transparency and accountability in its communication to shareholders as well as to potential investors, analysts and the public. The shareholders shall be informed of all material matters affecting the Company and the Group.

The ways of communication to shareholders and investors, amongst others, are as follows :

- (1) Timely announcements and disclosures made to Bursa Securities which includes quarterly financial results, material contract awarded, changes in the composition of the Company and any other material information that may affect investors' decision making;
- (2) Annual Report;
- (3) Participation in several institutional investors' forums, both locally and outside Malaysia;
- (4) AGM;
- (5) Company's website at <http://www.oceancash.com.my> which provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

10. COMPANY SECRETARY

The Company Secretary plays an important advisory role to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and the Group.

The Board shall appoint someone who is capable of carrying out the duties of which the post entails.

The responsibilities of the Company Secretary, amongst others, are as follows :

- (1) Advise the Board and its Committees and the management on corporate governance issues;
- (2) Ensure compliance of listing and related statutory obligations;
- (3) Attend Board, Committees and general meetings and ensure proper recording of minutes;
- (4) Ensure proper upkeep of statutory registers and records;
- (5) Assist Chairman in the preparation for and conduct of meetings;
- (6) Continuously update the Board on changes to listing rules and related regulations.

11. CODE OF ETHICS FOR DIRECTORS

The Code of Ethics for Directors (“the Code”) is to be observed by all directors of the Company and the core areas under the Code include the following :

- (1) Conflict of Interest;
- (2) Confidentiality;
- (3) Insider Information and Securities Trading;
- (4) Protection of Assets and Funds;
- (5) Health and Safety;
- (6) Outside Interests;
- (7) Compliance with Laws, Rules and Regulations.

The Board will review the Code regularly to ensure it continues to remain relevant and appropriate. The Code is made available for reference in the Company’s website at <http://www.oceancash.com.my>.

12. REVIEW OF BOARD CHARTER

The Board Charter has been adopted by the Board on 15 April 2014. Any subsequent amendment to the Board Charter requires board’s approval.

The Board Charter will be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board’s responsibilities.

The Board Charter is made available for reference in the Company’s website at <http://www.oceancash.com.my>.

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