

TIONG NAM LOGISTICS HOLDINGS BERHAD (Co. No. 182485 V)
BOARD CHARTER

INTRODUCTION

The Board of Directors of Tiong Nam Logistics Holdings Berhad (the “Company” or “TNLHB”) support high standards of corporate governance and is committed to ensuring that good corporate governance are being practiced throughout the Group as a fundamental part of discharging its responsibilities to enhance shareholders’ value and financial performance of the Group.

PURPOSE

This Board Charter sets out the authority, role, function, composition and responsibilities of the Board to assist the Board members to be aware of their duties and responsibilities.

AUTHORITY

The Board derives its authority to act from the Memorandum and Articles of Association of the Company and the laws and regulations governing companies in Malaysia.

BOARD COMPOSITION, APPOINTMENT AND RE-ELECTION

The Articles of Association of the Company provide for a minimum of two (2) directors and a maximum of fifteen (15) directors. The Board should comprise qualified individual with diverse set of skills, experience and knowledge necessary to govern the Company. On an annual basis, the Board reviews the composition in terms of size, the balance between executive, non-executive and independent directors and mix of skills.

The Board considers the appointment of new director upon the recommendation from the Nomination Committee. In making these recommendations, the nomination Committee will consider the skills, knowledge, expertise and experience, professionalism, integrity and in the case for the position of independent non-executive directors, their ability to discharge such responsibilities/functions as expected from independent non-executive directors.

The Board has not established any gender diversity policy but currently has a female Director on the Board.

In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), at least two (2) directors or one-third of the Board, whichever is higher, to be Independent Directors. The Board considers directors to be independent where they are not members of management and free from any relationship which would interfere with the exercise of independent opinion and the ability to act in the best interests to the Group.

The Company’s Articles of Association provides that at least one-third of the Board is subject to retirement by rotation to each Annual General Meeting. The Directors to retire at each year are the Directors who have been longest in office since their appointment or re-election. All Directors shall retire from office at least once in every three years but shall be eligible for re-election. The Articles of Association also provide that a Director who is appointed by the Board in the course of the year shall be subject to re-election at the next Annual General Meeting to be held following his appointment.

INDEPENDENCE OF DIRECTOR

The Board assesses the independence of its Independent Non-Executive Directors based on criteria set out in the Listing Requirements of Bursa Securities.

NEW DIRECTORSHIPS

All the Board members shall notify the Chairman of the Board before accepting any new directorships outside the Group. Similarly, the Chairman of the Board shall also do likewise before taking up any additional appointment of directorship. The notifications should include an indication of the time that will be spent on the new appointment.

CHAIRMAN AND MANAGING DIRECTOR

The Chairman provides overall leadership to the Board and ensures that the Group's corporate objectives are met.

The Managing Director is primarily responsible for making and implementing operational decisions and managing the day-to-day operations of the Group.

ROLES AND RESPONSIBILITIES OF THE BOARD

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

- Reviewing and adopting a strategic plan for the company, addressing the sustainability of the group's business;
- Overseeing the conduct of the group's business and evaluating whether or not its businesses are being properly managed;
- Identifying principal business risks faced by the group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
- Ensuring that all candidates appointed to senior management positions are of sufficient caliber, including having in place a process to provide for the orderly succession of senior management personnel and members of the board.
- Overseeing the development and implementation of shareholder communications policy; and
- Reviewing the adequacy and the integrity of the group's internal control and management information systems.

BOARD COMMITTEES

The Board is assisted by the four (4) Board Committees, namely Audit Committee, Remuneration Committee, Nomination Committee and Risk Committee, each entrusted with specific tasks and operated under clearly defined terms of reference.

- **The Audit Committee** assists the Board in meeting its responsibilities relating to accounting and reporting practices of the Company and the Group.
- **The Remuneration Committee** assists the Board in the adoption of fair remuneration practices to attract, retain and motivate Directors.
- **The Nomination Committee** assists the Board in recommending appointment of new directors and training programmes for the Board.

- **The Risk Committee** is responsible to ensure that there is a risk management programme in place to identify and manage the major or significant operational, financial and market risks associated with the Group's business.

BOARD MEETINGS

Scheduled Board meeting are structured with a pre-set agenda. The Board receives Board papers on the matters requiring its consideration prior to and in advance of each meeting.

All Directors, whether as a Board or in their individual capacity have full access to information within the Group and may obtain independent professional advice in furtherance of their duties at the Group's expense, if required. In additional, all Directors have access to the advice and services of the Company Secretary in carrying out their duties.

CODE OF ETHICS

The Board observes the Company Directors' Code of Ethics established by the Companies Commission of Malaysia.

REVIEW OF BOARD CHARTER

The Board will periodically review the Board Charter and revise as appropriate taking into consideration the needs of the Company as well as any development in rules and regulations that may have an impact on the discharge of the Board's duties and responsibilities.