

ARTRONIQ BERHAD
(formerly known as Plastrade Technology Berhad)

BOARD CHARTER

ARTRONIQ

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Company No: 200201023414/591077-X

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BOARD CHARTER

ABBREVIATIONS

AC	-	Audit Committee
ARTRONIQ / the Company	-	Artroniq Berhad
ARTRONIQ Group	-	ARTRONIQ and its subsidiary companies
AMLR	-	ACE Market Listing Requirements
BOD or the Board	-	Board of Directors
Bursa Securities	-	Bursa Malaysia Securities Berhad
ED	-	Executive Director
HRD	-	Human Resource Department
HOD	-	Head of Department
ACP / AC Policy	-	Anti-Corruption Policy
ACSOP	-	Anti-Corruption Standard Operating Procedures
PIC	-	Person-In-Charge
MACC	-	Malaysian Anti-Corruption Commission
MCCG	-	Malaysia Code on Corporate Governance
NC	-	Nomination Committee
RC	-	Remuneration Committee

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1. Purpose of this Board Charter

- 1.1 This Charter sets out the roles and responsibilities of the Board of Directors ('Board') of Artroniq Berhad ('ARTRONIQ or the Company') so as to ensure that the Board's practices are consistent with and reflect the Board's commitment to best practices as prescribed under the Malaysian Code on Corporate Governance 2017 ("MCCG 2017")
- 1.2 The Charter ensures that the ARTRONIQ Group has appropriate corporate governance structures aimed at enhancing and protecting shareholders' value.
- 1.3 This Charter is approved by the Board of ARTRONIQ and will be reviewed on an annual basis, or whenever the Board deems it appropriate so as to ensure it remains consistent with the Board's objectives and responsibilities.

2. Composition, Roles and Responsibilities of the Board

2.1. Composition

2.1.1. Size of the Board

In accordance with Article 76(1) of the Constitution, until otherwise determined by General Meeting, the number of Directors including Executive Directors shall not be less than three (3) but not more than twelve (12). Subject to the Listing Requirements at least two (2) Directors or one third (1/3) of the Board of Directors whichever is higher, shall be Independent Non- Executive Directors.

- 2.1.2. The size and balance of the Board is determined by the Board with the advice of the Nomination Committee ('NC') pursuant to its annual review and evaluation.

The MCCG 2017 recommends that at least half of the Board comprises Independent Non-Executive Directors. The Company will as far as practical be guided by this in achieving its board balance.

The Independent Non-Executive Directors are persons of calibre, credibility and have the necessary skills, competencies, commitment and experience to bring independent judgement to guide and advise on issues of strategy, performance and resources including key appointments and standards of conduct.

2.2. New Appointment

New appointments to the Board are only made when it is considered necessary or appropriate to the Company's requirements after review and recommendation by the NC.

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2. Composition, Roles and Responsibilities of the Board (Contd.)

2.3. Boardroom Diversity

The Board shall ensure diversity in the composition of its Board members taking into consideration their gender, nationality, age, culture and socio-economic backgrounds.

To meet the objectives of boardroom gender diversity as recommended under MCCG 2017, the Board has set a policy that at least one member of the Board will be of the female gender.

2.4. Separation of Duties and Authority Between Chairman and Chief Executive Officer (“CEO”)

The MCCG 2017 recommends that the positions of Chairman and CEO should be held by different individuals.

The Company aims to ensure a balance of power and authority between the Chairman and the CEO with clear division of responsibility between the running of the Board and the management of the Company’s day to day business respectively, where practicable.

2.5. Management

The day-to-day management responsibilities of the Group is delegated to the Executive Director, who is assisted by the Group CEO, whose roles and responsibilities are set out under Section 4 of this Charter. The Group CEO is assisted by the Senior Management Executives.

2.6. Roles and Responsibilities

2.6.1. The powers and duties of the Directors are as set out in the Constitution and as prescribed by the Companies Act 2016.

2.6.2. The Board of Directors as prescribed under Section 211(2) of the Companies Act 2016, has the powers necessary for managing and for directing and supervising the business and affairs of ARTRONIQ, subject to any modification, exception or limitation as set out under the Companies Act 2016, or in the Constitution of ARTRONIQ.

2.6.3. Directors are required at all times to exercise their powers for a proper purpose and in good faith, in the best interest of ARTRONIQ with a view to ensure that the businesses and affairs of ARTRONIQ are properly managed under the leadership of the Board of Directors.

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2. Composition, Roles and Responsibilities of the Board (Contd.)

2.6.4. The Board assumes ultimate accountability and responsibility over the stewardship of ARTRONIQ, including those expounded under MCCG 2017, as follows:

- Reviewing and approving of corporate strategies and plans which supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability as well as the monitoring of their implementations, including through the annual budget, business plans, etc.
- Overseeing and monitoring the conduct and performance of the Company's/Group's business.
- Overseeing the process for identifying principal risks and ensuring that appropriate risk management systems as well as monitoring and reporting mechanisms are in place to effectively monitor and manage such risks.
- Appointing and assessing the performance of the Executive Director, Group CEO and overseeing succession plans for the senior management team.
- Overseeing the development and implementation of a shareholders communication policy with the purpose of enhancing transparency and reputation of ARTRONIQ as a Group.
- Reviewing and overseeing the adequacy and integrity of the management information and control systems of ARTRONIQ Group.
- Together with Senior Management, promote good corporate governance within the Group, which reinforces high standards of ethics, integrity and corporate/ professional behaviours.
- Directing the Company's material communications to the public and/or shareholders, including Press Releases, Announcements, Annual Reports, Letters, Circulars, and the Group's policies and commitments on anti-corruption.
- Ensuring matters requiring the Board's approval in accordance with the law or as specified in the AMLR, guidelines of the Securities Commission, the Companies Act 2016, the MCCG 2017, Malaysian Anti-Corruption Commission Act 2009 (Act 694) and any other relevant laws and legislations.
- The Group's general stance against corruption in relation to its business activities.
- The Group's anti-corruption compliances and the monitoring of anti-compliance initiatives throughout the Group.

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2. Composition, Roles and Responsibilities of the Board (Contd.)

2.6.5. Matters reserved for the Board

The following matters has been specifically reserved for decision by the Board:

- Acquisitions of business/investments.
- Divestments and/or disposals of business/investments.
- Overseas equity venture.
- Corporate proposals.
- Terms of key agreements that is not within the ordinary course of business.
- Bank borrowings and finance arrangements.
- Where any of the following transaction involving amounts of 5% and above of Net Tangible Asset (based on the latest Audited Financial Statement) per transaction:-
 - Acquisition and disposal of properties and motor vehicles
 - Acquisition and disposal of fixed assets, other than properties and motor vehicles
 - Disposal and write offs of current assets
 - Material expenditure other than capital expenditure which is not within the ordinary course of business
- Placements/withdrawal of fixed deposits with financial institutions for amount valued at 10% and above of Net Tangible Asset (per day).

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3. Chairman of the Board

The Chairman is primarily responsible for:

- Leadership to the Board and to facilitate the effective contribution of all directors at Board meetings and ensuring that no member dominates discussions and appropriate contribution amongst Board members are forthcoming.
- Representing the Board, chairing General Meeting with shareholders and ensure effective communication with shareholders and all stakeholders.
- The efficient organisation and conduct of the Board's functioning, including establishing the agenda for Board meetings and chairing Board meetings.
- Ensuring the Board's decisions are implemented.
- Ensuring that the Directors receive accurate, timely and clear information in the form and of a quality appropriate to enable it to discharge their duties. All directors are entitled to request additional information where they consider such information necessary to make informed decisions.
- Ensuring that new directors receive a full, formal and tailored induction on joining the Board. The letter of appointment should set out the director's expected commitment of time.
- Ensuring that the directors continually update their skills, knowledge and familiarity with the Company in order for them to fulfil their role both on the Board and on the Board Committees.
- Promotion of constructive and respectful interactions between directors, and between the board and management.
- Ensuring the views of shareholders are communicated to the Board as a whole, and that governance and strategy issues are discussed with relevant major shareholders.
- Reviewing matters of concern to the Company.

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4. Executive Director

- 4.1. The Executive Director is appointed by the Board of Directors. The Executive Director is responsible for the day to day management of ARTRONIQ Group with the appropriate powers delegated by the Board and the assistance of Group CEO.
- 4.2. The Executive Director's primary responsibilities include :
- 4.2.1. Overall responsibility over its businesses as well as the day to day management of the Group, organisational effectiveness and implementation of Board policies, strategies and decisions.
 - 4.2.2. Development (in conjunction with the Board) and implementation of short, medium and long-term corporate strategies for the Group, preparation of business plans and reports to the Board on current and future initiatives.
 - 4.2.3. Providing leadership, supervision and control in managing a team of executives responsible for all functions contributing to the success of the Group.
 - 4.2.4. Ensuring that the Group has the appropriate risk management framework and policies in place.
 - 4.2.5. Assessment of business opportunities which may be potential benefits to the Group.
 - 4.2.6. Bringing material and other relevant matters to the attention of the Board in an accurate and timely manner.
 - 4.2.7. Oversee shareholders' communications.
 - 4.2.8. Appointing and, where appropriate, remove senior executives, including the Chief Financial Officer designate and the Company Secretary, with the approval of the Board.
 - 4.2.9. Evaluate the performance of senior executives.
 - 4.2.10. Ensure the objectives and standards of performance are understood by the Management and employees.
 - 4.2.11. Ensures the operational planning and control systems are in place.
 - 4.2.12. Monitoring performance results against plan/forecast and take remedial actions, where necessary.
 - 4.2.13. Ensures that the Group's complies with the relevant requirements of the ACE Market Listing Requirements of Bursa Securities.
 - 4.2.14. Direct and monitor all aspects of the business operations in a cost efficient and effective manner.
 - 4.2.15. Effectively oversee the human resources of the Group to ensure that key positions in the Group's management structures have adequate succession planning and talent retention activities are adequately addressed.
 - 4.2.16. Ensures the Group's corporate identity, products and services are of acceptable standards and is reflective of the market environment in which the Group operates in.
 - 4.2.17. Ensure accurate quality and timely information flows to the Board for establishing the agenda for Board and Committee meetings.
 - 4.2.18. In discharging the above mentioned responsibilities, the Executive Director can delegate and/or assign appropriate functions and responsibilities to the Group CEO and senior management personnel while retaining overall control and responsibility.

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5. Individual Board Members

- 5.1. The roles and responsibilities of Individual Board Members include:
- 5.1.1. Observe the provisions, regulations, guidelines and other relevant requirements under the Company's Constitution, the Companies Act 2016, the ACE Market Listing Requirements, the Securities Commission, Capital Market Securities Act 2007, Malaysian Anti-Corruption Commission Act 2009 (Act 694) and any other applicable statutes, laws and legislation
 - 5.1.2. Maintain strict confidentiality of the Group's information.
 - 5.1.3. Responsible for oversight of the Board's Governance Structure and to ensure that the Company's procedures and practices are consistent with and reflect the Board's commitment to the principles and best practices as promulgated by MCCG 2017 and such other proponents of corporate governance that may be introduced from time to time.
 - 5.1.4. Review, adopt and monitor the strategic plans of the Group/Company and its execution.
 - 5.1.5. Oversee the resources and operational conduct of the Group's businesses and ensure businesses are being properly managed.
 - 5.1.6. Identify principal risks of the Company and ensure the implementation of appropriate risk management and mitigation measures.
 - 5.1.7. Consider succession planning for senior management, including implementation of appropriate systems for recruiting, training, remuneration and compensation plans.
 - 5.1.8. Oversee the development and implementation of a shareholders' communication policy or investors' relation programme for the Group
 - 5.1.9. Review the adequacy and integrity of the Group's internal control systems and management information system and ensure appropriate compliance with applicable laws, regulations, rules, directives and guidelines.
 - 5.1.10. Keep abreast with industry developments and attend continuing education programme to maintain effectiveness as a board member

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6. Board Committees

The Board delegates certain responsibilities to the various Board Committees with defined terms of reference to assist the Board in discharging its responsibilities.

6.1. Audit Committee (“AC”)

The AC is established to provide assistance to the Board in relation to fulfilment of the Board’s statutory as well as fiduciary responsibilities and to ensure that the internal and external audit on ARTRONIQ Group are being carried out adequately and effectively. The Audit Committee also assist the Board in identifying the Group’s principal risks and ensure the implementation of appropriate systems to manage these risks using an established risk management framework.

The functions and responsibilities of the AC are set out in its Terms of Reference.

6.2. Nomination Committee (“NC”)

The Nomination Committee is established to provide assistance to the Board to oversee matters relating to the nomination of new directors, the mix of skills, experience and independence of board members as well as the annual assessment of the effectiveness of the Board as a whole, the Board Committees and each director the contribution of each individual Director, the Independence of the Independent Directors as well as identify candidates to fill board vacancies, and nominating them for approval by the Board.

6.3. Remuneration Committee (“RC”)

The Remuneration Committee is established to provide assistance to the Board primarily on the areas of remuneration and benefits. The RC is responsible for recommending to the Board the remuneration of Executive Directors and Non-Executive Directors in all its forms, drawing from external professional advice where necessary.

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7. Independence of Directors

Definition under Listing Requirement

The definition of an Independent Director is set out in Para. 1-1 of Chapter 1 of the ACE Market Requirements and further clarified and expanded under Practice Note 13 issued by Bursa Securities.

ARTRONIQ's Board does not believe that it is practically possible to list down all the criteria which are appropriate to characterise the independence of a Director. It is the approach of the Board when considering a director's Independence to assess their independence after taking into consideration all relevant factors, including the abovesaid definition and explanations under this Section and that such assessment must be applied with common sense and the directors themselves are best able to determine if they have an interest or relationship which is likely to impact on their independence.

Each director is expected to advise the Chairman immediately if he/she believes they may no longer be independent or act independently. Should the Chairman or any other director have any concern about the independence of a director, he/she must immediately raise the issue with that identified director during a board meeting.

Where a Director is no longer considered independent, disclosure by way of an announcement to Bursa Securities may be undertaken.

8. Access to Information, Independent Advice and Continuing Development

- 8.1. The Board and Committees have access to all information pertaining to the Group and the Company. All Board members have direct access to the advices and services of the Company Secretary.

Board papers and list of matters that are to be considered and deliberated at meetings are to be furnished to Board/Committee members should be circulated at least 5 days in advance prior to meetings.

The Executive Director/Group CEO, senior management personnel and appropriate external advisers/consultants may be invited to brief, report and advise the Board and/or Board Committees at their meetings.

- 8.2. Board members are entitled to request and receive information as they consider necessary to support their understanding on the affairs of the Group and to assist in their decision-making process. Board member has the authority to seek any information he/she requires from any employee of the Group and the identified employee must comply with such request.

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8. Access to Information, Independent Advice and Continuing Development (Contd.)

8.3. Any Board member may engage professional and independent advice as they deem necessary at the expense of the Group or Company. The Board as a whole may also engage any third-party consultants, advisers or experts as and when it considers it necessary from time to time in the performance and the discharge of its duties.

Any director seeking such independent advice should notify the Chairman, who may coordinate the access to such advice similarly for the other directors.

8.4. The Board has the authority to conduct or direct any investigation required to fulfil its responsibilities at the Group or Company's expense.

8.5. The Board has adopted a Continuing Education Policy to ensure that Board members maintain and update their skills and knowledge necessary to meet their obligations as directors. The Continuing Education Policy is set out as a Separate Document and is accessible on the Company's website: www.artroniq.com

9. Procedures for Appointment of Directors

The Board's procedures for appointments to the Board are viewed as a vital component of the governance process in determining the composition, size, balance competencies and ultimately the quality of the Board. ARTRONIQ has a formal and transparent procedure established for the appointment of new Directors to the Board.

The NC is responsible for reviewing, proposing and recommending potential new directors after taking into consideration its current status and the future needs of the Group and Company.

10. Quorum at Board Meetings

In accordance with Article 105 of the Constitution, the quorum necessary for the transaction of the business of the Directors shall be two (2).

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11. Induction

- 11.3. The objective of the induction process is to provide Directors with a rapid and clear insight into the Group as well as keeping them abreast with development in the market place pertaining to the oversight function of Directors. This will enable the Directors to discharge their duties and responsibilities effectively.
- 11.4. Induction of Directors may include, but not limited to, the following:
- 11.4.1. Furnishing of a copy of the previous board minutes for at least the past six (6) months; the business/strategic plan, pertinent Management reports; profile of key competitors and significant reports by management consultants on areas of board responsibilities;
 - 11.4.2. Visits to key operational sites; and
 - 11.4.3. A formal one (1) to two (2) day induction programme, including the elements above, and also presentations from various divisions on their strengths, weaknesses and ambitions.

12. Evaluation of Board Performance

Evaluation of the Board Performance

The Board through the NC evaluates the performance of the Board as a whole, the Board Committees, the Individual Directors and the Independence of the Independent Directors on an annual basis.

The evaluation criteria and process are in accordance with the procedure that has been established, endorsed and approved by the Board following the recommendation made by the NC.

The Board evaluation process is carried out by way of peer assessment, in the form of evaluation questionnaires completed, reviewed and deliberated by the NC before its findings and recommendations tabled to the Board.

The Evaluation process in respect of the Independence of the Independent Directors is carried out by way of peer assessment in the form of evaluation questionnaires and supported by an annual declaration by the respective Independent Director on his/her independence.

The completed evaluation questionnaires are then reviewed and deliberated by the NC before its findings and recommendations tabled to the Board for decision.

The evaluation criteria and process shall be reviewed at least once every three (3) years or as and when there are new regulatory provisions in place to ensure those criteria remain relevant and appropriate.

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13. Corporate Disclosure Policy

The Board is guided and takes into consideration the Guidance set out under Bursa Malaysia Securities Berhad's Corporate Disclosure Guide issued in September 2011 in respect of Corporate Disclosures.

The Board is committed to good corporate governance and will ensure that all stakeholders are provided with comprehensive, accurate and quality information on a timely and even basis.

The Board has adopted a Corporate Disclosure Policy which takes into consideration the Guidance set out under Bursa Malaysia Securities Berhad's Corporate Disclosure Guide issued in September 2011. The Corporate Disclosure Policy is set out as a Separate Document and is accessible on the Company's website: www.artroniq.com

14. Secretary

14.1. The Company Secretary will be the Secretary of the Board.

14.2. Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flows between members of the Board and the Board Committees, and between senior management and non-executive directors, as well as facilitating the induction of new directors and assisting with each director's professional development, as required.

14.3. Responsibilities of the Company Secretary includes the following:

14.3.1. Ensure that Board procedures and applicable rules are observed;

14.3.2. Advise the Board on corporate disclosures and compliance with the relevant rules and regulations, and timely dissemination of information relevant to Directors' roles and functions and keep them updated on new or evolving regulatory requirements; and

14.3.3. Monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations.

14.4. All directors have access to the advices and services of the Company Secretary.

14.5. Appointment and removal of the Company Secretary is a matter for the Board as a whole.

15. Shareholders Communication Policy

The Board has adopted a Shareholders Communication Policy in respect of communicating with its shareholders.

The Shareholders Communication Policy is set out as a Separate Document and is accessible on the Company's website: www.artroniq.com

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16. **Code of Ethics and Conduct**

The Board has adopted a Code of Ethics and Conduct based on the Director's Code of Ethics prescribed by the Company Commission of Malaysia to enhance the standards of Corporate Governance and Behaviour as a guide for the Directors.

17. **Review**

17.3. The Board will review this Charter as and when the need arises to keep it current and relevant at all times.

17.4. This Board Charter was last reviewed and revised on 22 April 2021.

18. **Publication/Availability**

A copy of this Charter is available from the Company's website: www.artroniq.com

- END OF POLICY -