

# IQ-group

## **IQ GROUP HOLDINGS BERHAD**

(200301034523) (636944-U)

(Incorporated in Malaysia under the Companies Act, 1965)

### **BOARD CHARTER**

#### **1. Purpose**

The Board Charter sets out the Board's strategic intents and outlines the functions, duties and responsibilities of the Board as officers of the Company to ensure high standards of corporate governance and compliance with the various legislation and regulations.

#### **2. Key value, principles and ethos of the Company**

##### **2.1 Vision Statement**

To achieve global market disruption as **we detect, illuminate & announce** your arrival via **shockingly** exciting solutions!

##### **2.2 Mission Statement**

The glass 'half full' each one to utter  
Market intelligence like none other  
Seeing beyond & first to discover  
Matchless resources a central pillar  
Envied products ourselves to usher  
Shared success our raison d'être!

##### **2.3 Ethical Policy**

The Group adopted the following Ethical Policy:

- **Customer**  
Conduct Business in an honest professional manner and with uncompromising integrity. Individually or collectively, understand the needs of our customers and exceed their expectations.
- **Employees**  
Respect values and welcome diversity in employees, making equal employment opportunity available to all.

- **Competitors**  
Deal ethically, avoid unfair and disparaging comments about competitors.
- **Communication**  
Talk, act and make ethical decisions to earn loyalty and trust of others.
- **Teamwork**  
Encourage co-operative efforts at every level and across all activities in our company.  
Learn and share ideas and knowledge continually.
- **Products**  
Exceed customer expectations with right first time and on time delivery of competitively priced, quality products.

### 3. **Composition of the Board**

- At least two (2) Directors or one-third (1/3) of the total number of Directors on the Board, whichever is the higher, must be Independent Directors.
- If the number of Directors of the Company is not three (3) or a multiple of 3, then the number nearest 1/3 must be used.
- In the event of any vacancy in the Board, resulting in non-compliance of the minimum number of independent directors, the Board must ensure that the vacancy is filled within 3 months.
- The Chairman of the Board shall not be a member of the Audit Committee, Nominating Committee or Remuneration Committee.
- The Board strongly endorses board diversity as it is of the view that a diversified Board has the prospects of achieving greater effectiveness, creativity and capacity to thrive in a challenging and uncertain business environment. The Company's strategic intent for boardroom diversity is the attraction, retention and development of a diverse team of skilled people towards the delivering of the Company's strategy. The Board takes into consideration and aims to make good use of the differences in the skills, regional and industry experience, background, race, gender and other qualities of its directors. Hence the Board strives to ensure that there is no discrimination on the basis of, but not limited to, race, age, ethnicity, gender, nationality, political affiliation, religious affiliation, marital status, education physical ability or geographic region when deciding on the composition of the Board.
- The Board takes cognisance of the recommendation in the Malaysian Code on Corporate Governance 2021 to have at least 30% women Directors.

- The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. In the event an Independent Director reaches a cumulative term of nine (9) service years, the Independent Director may continue to serve the Board upon re-designation as a Non-Independent Director. Should the Board intend to retain the Director as Independent after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval at general meeting through a two-tier voting process. In justifying the decision, the Board shall assess the candidate's suitability to continue as an Independent Non-Executive Director based on the criteria on independence.
- The Board shall appoint a Senior Independent Non-Executive Director who will serve as a point of contact for any concern or query raised by shareholders.

#### **4. Board's roles and Responsibilities**

The Board is obligated to play an active role in directing management in an effective and responsible manner. The Directors, collectively and individually, has legal and fiduciary duty to act to the best interest of the Company and to effectively represent and promote the interests of the shareholders and stakeholders with a view to achieve its vision towards corporate sustainability.

The Board assumes, amongst others, the following duties and responsibilities: -

- Promote good corporate governance culture within the Group;
- Reviewing, adopting and monitoring the implementation of a strategic plan for the company and its subsidiaries ("Group") to ensure that the strategic plan and operation of the Group support long-term value creation and include strategies on economic, environment, social and governance consideration underpinning sustainability;
- Overseeing and evaluating the conduct of the Group's business. Ensure that the Company adheres to high standards of ethics and corporate behaviour which include managing conflicts of interest, preventing the abuse of power, fraud, bribe and corruption, insider trading and money laundering;
- Ensure there is a sound framework of internal controls and risk management;
- Identifying principal risks and ensuring the implementation of the appropriate control and system to manage such risks;
- Succession planning including appointing, training, fixing the remuneration of and where appropriate, replacing the senior management and the Board of the Group.

- Overseeing the development and implementation of a shareholder communication policy for the Company;
- Reviewing the adequacy and the integrity of the management information and the internal control system of the company, for ensuring compliance with applicable laws, regulations, rules, directives and guidelines to ensure a sound framework for internal controls and risk management;
- Provide assurance to its internal and external stakeholders that the Group is operating in compliance with its policies and any other applicable regulatory requirements. This includes establishing a “tone from the top” and spearheading the Group’s efforts to improve on its corruption risk management framework, internal control system, review and monitoring as well as training and communication;
- Ensure that the Company’s sustainability strategies, priorities and targets as well as performance against the targets are communicated to its internal and external stakeholders;
- Together with senior Management takes responsibility for the governance of sustainability in the Group including setting the Group’s sustainability strategies, priorities and targets, including among others the development and implementation of company strategies, business plans, major plans of action and risk management;
- Direct and periodically review an anti-corruption compliance programme which includes clear policies and objectives that adequately addresses corruption risk;
- Approve the Whistleblowing Policy and Procedure to encourage reporting of any legitimate concerns over any wrongdoing at IQ Group on unlawful conduct, financial malpractice or dangers to the public or the environment within as well as any suspected and/ or real corrupted incidents;
- Review and/ or acknowledge on the investigation outcome of whistleblowing issues, results of fraud, illegal acts or suspected violations of Group policies involving all employees, Management and Directors;
- Periodic review and approve Code of Business Conduct and Ethics to align with the changes in law, governance code coupled with the changes in Company’s vision, mission and business plan;
- Review the development and dissemination of internal and external trainings relevant to its anti-corruption management system, covering areas such as policy, training, reporting channel and consequences of non-compliance.

## **5. Management Responsibilities**

The management is responsible to:

- Recommend the Group Corporate strategy to the Board for approval and upon approval, implement the corporate strategy;
- Assume day-to-day responsibility for the Group's conformance with relevant laws and regulations.
- Develop, implement and updates the company's risk management and internal control framework;
- Develop, implement and update the Group's policies, procedures and systems;
- Manage the Group's human, physical and financial resources to achieve the Group's objectives.

## **6. Role of Independent Director**

- The Independent Director must ensure that the interest of all shareholders, and not only the interest of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.
- Directors are expected to advise the Chairman immediately if they believe that they may no longer be independent.
- The Board undertakes to assess the independence of Independent Directors on an annual basis.

## **7. Division of Roles between the Chairman of the Board and Chief Executive Officer**

The role of Chairman and Chief Executive Officer ("CEO") are distinct and separate to ensure that there is a balance of power and authority. The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board, while the CEO has overall responsibility for the day- to-day management of the business, organisational effectiveness and implementation of Board policies, strategies and decisions. The position of Chairman of the Board, Chairman of the Audit Committee and CEO shall be held by different individuals.

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

- To lead the Board and ensure its effectiveness of all aspects of its role.
- To ensure balance of membership, subject to Board and shareholders' approval.
- In consultancy with the CEO and the Company Secretary, sets agenda for Board meetings and ensures that all relevant issues are on the agenda.
- Leading Board meetings and discussion.
- Encourage active participation and allowing dissenting views to be freely expressed.
- To ensure effective communication with shareholders and relevant stakeholders.
- Leading the Board in establishing and monitoring good corporate governance practices within the Group.
- Ensure appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

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

- To establish and implement the strategic direction of the Group.
- To ensure the efficiency and effectiveness of the operation of the Group.
- To ensure the Group is positioned to attract and retain employees with the skills required to implement the strategic plans of the Group.
- To manage the investor relations of the company.
- To ensure Directors are provided with accurate and clear information on the timely manner in order to promote and effective decision-making by the Board.
- To ensure all material matters affecting the Group are brought to the attention of the Board.

## **8. Code of Ethics and Conduct for Directors**

The Code of Ethics applies to all members of the Board serving from time to time. The principles outlined herein are intended to:

- codify a standard of conduct by which all Directors are expected to abide;
- protect the business interests of the Company;
- maintain the Company's reputation for integrity; and
- foster compliance with applicable legal and regulatory obligations.

The Code of Ethics and Conduct for Directors shall be reviewed periodically and published on the Company's website.

The Directors are required to observe the following at all times: -

- act honestly, in good faith and in the best interests of the Company as a whole;
- use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office;
- use the power of office for proper purpose, in the best interests of the Company as a whole;
- recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regards for the interest of all stakeholders of the Company;
- must not make improper use of information acquired as a director;
- must not take improper advantage of the position of director;
- must not allow personal interests, or the interests of any associated person, to conflict with the interests of the Company;
- must not give or receive gifts of any value under circumstances that are unlawful or might otherwise appear to be an attempt to improperly influence a decision, which affects the Company;
- must refrain from any activity or behaviour that could give rise to the perception or suspicion of any corrupt conduct or the attempt thereof;
- has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as the soundness of all decisions taken as a Board;

- confidential information received by a director in the course of the exercise of directorial duties remains the property of the Company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the Company, or is required by law;
- should not engage in conduct likely to bring discredit upon the Company;
- has an obligation at all times to act ethically and to comply with the spirit of the Code and the Board Charter;
- ensure that all suspected reports of unethical practices are investigated fully and thoroughly to ensure the Company operates in the manner expected of the Company by society.

## **9. Board Committee**

The Board is assisted in the discharge of its responsibilities by three (3) Committees which are operate within clearly defined terms of reference. The committees are authorised by the Board to deal with and to deliberate on matters delegated to them. The Chairman of the respective Committees shall report to the Board on the outcome of the Committees Meetings.

The three Board Committee are as follows: -

- Audit Committee
- Nomination Committee
- Remuneration Committee

## **10. Board Meeting**

- The Board shall conduct at least four (4) schedule meetings annually, with additional meetings to be convened as and when necessary.
- Notice of Meetings shall be given to members of the Board at least five (5) business days prior to the meeting
- Agenda and documents relevant to the Board Meetings are circulated in advance to the Directors for their review before the meetings to ensure the effective of the Board Meetings.
- Directors will use their best endeavour to attend the Board Meetings. Directors are expected to prepare themselves thoroughly and 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.



- Board discussion will be open and constructive, recognising that genuinely held differences of the opinion could bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek a consensus of the Board but may, where considered necessary, call for a vote.
- The Company Secretary shall take minutes of the meetings. These shall be reviewed and approved by the Chairman and Management before being tabled to the Board in the next meeting.

## **11. Board Access to information and advice**

The Board and its committees have full and unrestricted access to all information pertaining to the Group's business and affairs.

Board Meetings are structured with a pre-set agenda and Board papers are circulated to all Board members in advance of each Board Meeting to enable the Directors to consider and deliberate knowledgeably on issues and to facilitate informed decision making.

The Directors are provided with access to the advice and services of the company's secretaries who are qualified, experienced and competent on statutory and regulatory requirements. The Company Secretaries brief the Board on the proposed contents and timing of material announcements to be made to regulators. The Company Secretary attends all Board and Board Committee meetings to ensure that the meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly.

In addition, members of the senior management team are invited to attend Board Meetings from time to time to provide operational insight and to brief the Board on matters being deliberated. The Board may seek independent professional advice at the expense of the company, should the need arise. Such request for the independent professional advice shall be communicated to and approved by the Board of Directors.

## **12. Independent professional advice**

The Board as well as any Director is entitled to obtain independent professional advice relating to the affairs of the Group or his responsibilities as a director.

If a Director considers such advice necessary for the discharge of his duties and responsibilities as Director and, for the benefit of the Company, such Director shall first discuss it with the Chairman and, having done so, shall be free to proceed, where appropriate.

Subject to the prior approval of the Chairman, the cost of the advice will be reimbursed by the Company.

### **13. Appointments and Re-elections to the Board**

The Nomination Committee was set up on 26 July 2005 to ensure that the process of nominating and appointing new members to the Board is fair and transparent.

The Nomination Committee reviews the suitability, competency and contribution of Director for re-election before recommending to the Board for submission to shareholders for approval at the company's Annual General Meeting ("AGM").

The Constitution of the company provide that at least one-third of the Directors are subject to retirement by rotation at each AGM and that all Directors shall retire once in every three (3) years but shall be eligible for re-election.

Newly appointed Directors shall hold office until the next following AGM and shall then be eligible for re-election by shareholders.

### **14. The Company Secretary**

The appointment, assessment and removal of Company Secretaries shall be the responsibility of the Board.

The Company Secretaries play an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations.

The Company Secretary's responsibilities include the following: -

- advise the Board on its roles and responsibilities;
- maintain records of the Board and ensure effective management of Company's records;
- prepare comprehensive minutes to document Board proceedings and deliberations and ensure conclusions are accurately recorded;
- keep the board update on new statutes and directives issued by the regulatory authorities, and the resultant implications to the Company and the Directors in relation to their duties and responsibilities.

The Board recognises the fact that the Company Secretaries of the Company are suitably qualified and competent in carrying out the duties required.

## **15. Board Training and Development**

- In addition to the Mandatory Accreditation Programme as required by Bursa Malaysia Security Berhad, the Directors are encouraged to attend various training programmes to constantly update their knowledge and enhance their skills. This will enable Directors to effectively discharge their duties and keep abreast with industrial sector issues, developments in the industry and global market, management strategies and regulatory laws, rules as well as guidelines and which are relevant to the Company's operations and business.
- All members of the Audit Committee shall undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.
- New Directors will be briefed on the Company's history, business and plant visit to enable them to have in-depth understanding of the Company's operation.
- The training needs of the Directors will be reviewed by the Nominating Committee on a regular basis to ensure that they are acquainted with the latest development and changing environment within which the Company operates.

## **16. Directors Remuneration**

The Board shall establish a Remuneration Policy for Directors and Senior Management.

The Board will determine the level of remuneration of Board Members and Senior Management, taking into consideration the recommendation of the Remuneration Committee.

The remuneration package and increment for IQ Group's Executive Directors and Senior Management are depends on the demands, complexities and performance of the Company as well as skills and experience required.

The Remuneration Committee also reviews the remuneration for Non-Executive Directors and Independent Directors to ensure that the remuneration is linked to the level of responsibilities undertaken and contribution to the effective functioning of the Board.

## **17. Formal schedule of matters reserved for Board's decision**

At every regular Board Meeting, Directors shall:

- Review outstanding major action items from previous meeting;
- Discuss emerging issues that could affect the business of the Group. Some of these issues are:
  - Risk management issue;
  - Adverse economic and industrial trend;
  - Competitors' actions;
  - Adverse publicity/ rumours concerning the Company and/or its subsidiaries;
  - Changes to statutory requirements in the industry/ business that the Group operates in;
  - Fluctuation in interest rates if this affects group's finance cost significantly;
  - Labour issue
- Review reports from the CEO on operational and performance-related matters and strategic issues;
- Review the strategic direction and supporting strategies of the Group, including the approval for corporate exercises or restructuring of related agreements thereof;
- Where appropriate, discuss and approve major capital expenditure and investment transaction;
- Review and approve audited financial statement of the Company and Group;
- Approval of major announcement to Bursa Malaysia Securities;
- Any other pertinent matters that may be decided upon by the Board from time to time.

## **18. Board Commitment**

- Any Directors of the Company, while holding office, is at liberty to accept other Board appointments as long as the appointment is not in conflict with the business and does not affect his or her performance as a director. However, he/ she must notify the Group Chairman prior to assuming any new directorship.
- The Directors are guided by the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on attendance of at least 50% of Board Meetings held in a financial year.
- Director shall not hold more than 5 directorships in the following listed issuers: -
  - Corporation listed on the Bursa Malaysia (including companies incorporated outside Malaysia but listed on the exchange); and
  - Management companies of collective investment schemes, which are listed on the Exchange.

## **19. Conflict of Interest**

- A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare his interest in accordance with the provisions of the Companies Act, 1965. The Director concerned shall not participate in deliberations and shall abstain himself from casting his votes in any matter arising thereof.
- Should there be an actual, potential or perceived conflict of interest between the Company or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, the Director involved shall make full disclosure and act honestly in the best interest of the Company.
- An actual, potential or perceived conflict of interest shall not necessarily disqualify an individual Director from the Board provided that full disclosure of the interest has been made in good faith and with due honesty.
- The Company Secretary should facilitate the Directors' annual independence and conflict of interest declarations, which will allow the Directors to perform an annual self-declaration on independence (i.e. for Independent Non-Executive Directors) and conflict of interest (i.e. for all Directors)

## **20. Board Evaluation**

The performance of individual directors, Board Committee and the Board as a whole are assessed by the Nominating Committee on a yearly basis with due consideration to competency, commitment, integrity, character, experience, contribution and performance.

The Board shall utilise independent sources to identify qualified candidates to fill the vacancies for the Board and Senior Management.

## **21. Corporate Disclosure Policy and Procedure**

- The Board aims to provide shareholders with informative, accurate and timely material information concerning the Company to the public. The Board recognize that individual investors deserve the same access to material information as institutional shareholders and analysts, and is committed to providing fair and equal access to such information through broadly disseminated disclosure.
- The Group Executive Chairman and Chief Executive Officer shall be the official spokesperson authorised to speak on behalf of the Company to the public such as journalists, analysts, fund managers and institutional investors. Employees who are not authorized spokesperson must not respond under any circumstances to inquiries from the investment

community or the media, or from other parties if received outside the scope of employee's usual responsibilities, unless specifically asked to do so by an authorised Spokesperson.

- This Corporate Disclosure Policy and Procedure should be reviewed periodically and reflect changes in the Listing Requirements in cases where the Listing Requirements is being updated or amended.

## **22. Investor Relations and Shareholder Communication**

The Company is at all times mindful and conscious of its regulatory and statutory obligations regarding dissemination of information to its shareholders.

The Company maintain a corporate website at [www.iq-group.com](http://www.iq-group.com) to provide relevant information about the Company and is accessible by the public.

The Board will identify a Senior Independent Non-Executive Director to whom concerns from the public can be conveyed. The said Director's e-mail is provided in the Annual Report of the Company.

All Directors shall attend the Annual General Meeting of the Company.

In addition to the above, Notice of Annual General Meeting ("AGM") are sent out at least twenty-one (21) days before the AGM date and sufficient time will be allocated during the AGM for dialogue with shareholders to address issues concerning the Group.

Establish a channel where shareholders can continue to share feedback and questions outside of the general meeting and receive the appropriate response.

## **23. Review of Board Charter**

The Board was last reviewed and adopted by the Board on 28 August 2024.

The Board Charter to be made available to the website of the Company will be reviewed annually to ensure they remain consistent with Board's objectives and responsibilities as well as relevant code of corporate governance.