

# **PINEAPPLE RESOURCES BERHAD**

Registration No. 198001001637 (55420-P)

## **BOARD CHARTER**

(2023)

TABLE OF CONTENTS

	Page
1. Introduction	4
2. Board Structure	4
2.1 Board Composition	4
2.2 Appointments	5
2.3 Tenure of Directors	6
2.4 Board Independence	8
3. Roles and Responsibilities	9
3.1 The Board	9
3.2 Chairman	14
3.3 Managing Director/Chief Executive Officer	16
3.4 Executive and Non-Executive Directors	17
3.5 Delegation to Management	18
4. Board Committees	18
5. Board meetings	18
5.1 Frequency	18
5.2 Notice and Agenda	19
5.3 Quorum	19
5.4 Chairman's role in meeting	19
5.5 Attendance	19
5.6 Meeting Mode	19
5.7 Directors' Circular Resolution	20
5.8 Voting	20
5.9 Minutes	20
6. Remuneration of Directors	20
7. Induction and Training for Board members	21
8. General Meetings	22
8.1 Annual General Meeting	22
8.2 General Meeting	22
9. Access to Information	23
10. Access to Independent Professional Advice	23
11. Confidentiality and Disclosure of Interest	23
12. Dealings in Securities	24

TABLE OF CONTENTS

	Page
13. Whistleblowing Policy	24
14. Fit and Proper Policy	24
15. Anti-Bribery and Anti-Corruption Policy	25
16. Code of Conduct and Ethics	26
17. Investor Relations and Shareholders Communication	26
18. Company Secretary	27
19. Review of the Board Charter	28

## 1. INTRODUCTION

- 1.1 The Board of Directors (“**Board**”) of Pineapple Resources Berhad (“**PRB**” or “**the Company**”) commits itself to instilling good corporate governance practices in the Company and its subsidiary(ies) (“**the Group**”) from time to time in accordance with the principles set out in the Malaysian Code of Corporate Governance as at 28 April 2021 issued by the Securities Commission Malaysia (“**MCCG**”) as the Board recognises that corporate governance is vitally important to the success of the Group’s business besides protecting and enhancing shareholders’ value and the performance of the Group.
- 1.2 The Board shall be responsible for:
- a) setting the Group’s strategic aims to ensure that necessary resources are in place for the Group to meet its objectives and review its management’s performance and affairs of the Group;
  - b) setting and maintaining the Group’s values and standards; and
  - c) safeguarding the Group’s obligations to its shareholders and other stakeholders are understood and met.
- 1.3 This Board Charter sets out:
- i) the core values, guidance and principles for Board and management of the Company concerning what is expected from them on their roles and responsibilities as well as the composition and processes of the Board and various Board committees (“**Board Committee**”) in discharging their responsibilities for the benefit of the Company and its stakeholders;
  - ii) the delegation of authority by the Board to the Board Committees to safeguard the Board members in performing their responsibilities on behalf of the Group for the benefit of the Company, its shareholders and stakeholders; and
  - iii) general conduct of the Board, Board leadership, assessment and other related matters.
- 1.4 This Board Charter is subject to the provisions of the Companies Act 2016 (the “**Act**”), Constitution of the Company, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**LR**”), the practices and guidance of the MCCG and any other applicable laws or regulatory requirements.

## 2. BOARD STRUCTURE

### 2.1 Board Composition

- 2.1.1 The Board shall comprise a balance of Executive Directors and Non-Executive Directors (including Independent Non-Executive Directors), such that no individual or a group of individuals can dominate the Board’s decision making.

- 2.1.2 The Board shall consist of qualified individuals with an appropriate mix of skills, knowledge, expertise, experience, age, background, gender and perspective to safeguard that there is sufficient diversity and independence in facilitating the discussion, review and decision making in order to discharge their duties and responsibilities.
- 2.1.3 The Constitution of the Company states that unless otherwise determined by the Company in general meeting and subject to the LR, the number of Directors shall not be less than two (2) nor more than nine (9). At any one time, at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, shall be Independent Directors. The composition and size of the Board shall be reviewed from time to time to reflect the Company's requirements and to ensure the Board's effectiveness.
- 2.1.4 Pursuant to Paragraph 15.06 of the LR, the Directors must not hold more than five (5) directorships in the listed companies on Bursa Securities.
- 2.1.5 On boardroom diversity, the Board is supportive of the gender boardroom diversity recommended by the MCCG. The Board through the Nomination and Remuneration Committee ("NRC") will continuously review the Board composition taking into consideration the appropriate competence, experience, character, integrity and time to effectively discharge his/her role as Director.
- 2.1.6 The Board intends to pursue the target of 30% women Directors in line with Practice 5.9 of the MCCG but it shall at least, have one (1) woman director pursuant to Paragraph 15.02 (1)(b) of the LR.

## **2.2 Appointments**

- 2.2.1 The appointment of a new Director is a matter for consideration and decision by the Board, upon appropriate recommendation from the NRC. The Board shall ensure that the shareholders have the required information to make an informed decision on appointment and re-appointment of Directors.
- 2.2.2 The screening and evaluation process for new Directors and Directors to be nominated for re-election are delegated to the NRC.
- 2.2.3 In making the selection, the NRC shall also consider the following aspects:
- a) Probity, personal integrity and reputation – have personal qualities such as honesty, integrity, diligence, independence of mind and fairness.
  - b) Competence and capability – have the necessary skills, experience, expertise, background, knowledge, ability and commitment to carry out the role.
  - c) Financial integrity – able to manage his/her debts or financial affairs prudently.
  - d) Time and commitment – able to devote time, contribute and participate actively in board activities.

- e) Other criteria – age, gender diversity, character, professionalism, contribution and performance.
  - f) In the case of candidates for the position of Independent Non-Executive Directors, the candidates’ ability to discharge such responsibilities are as expected from Independent Non-Executive Directors; and
  - g) In the case of candidates filling seats in respect of the Audit and Risk Management Committee in particular, to ensure that the candidate is financially literate and possesses a wide range of necessary skills to discharge his/her duties.
- 2.2.4 Pursuant to Paragraph 15.03 of the LR, a newly appointed Director shall provide to the Bursa Securities an undertaking in the form as may be prescribed by the Bursa Securities immediately after the said Director’s appointment or in any event not later than fourteen (14) days after the appointment.
- 2.2.5 New Directors are expected to have such expertise as to qualify them to make a positive contribution to the Board performance of its duties. New Directors are required to commit sufficient time to attend the meetings of the Company or matters before accepting his/her appointment to the Board.
- 2.2.6 In identifying candidates for appointment of directors, the Board does not solely rely on recommendations from existing directors, management or major shareholders. The Board shall also utilise independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the NRC should explain why these source(s) suffice and other sources were not used.

### **2.3 Tenure of Directors**

- 2.3.1 Pursuant to the Constitution of the Company, an election of Directors shall take place each year. At the first Annual General Meeting, all the Directors shall retire from office, and at the Annual General Meeting (“AGM”) in every subsequent year, one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office and be eligible for re-election provided always that all Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the AGM at which he retires whether adjourned or not.
- 2.3.2 The Directors to retire in each year shall be the Directors who have been longest in office since their last election, but as between persons who became Directors on the same day, the Directors to retire shall (unless they otherwise agree among themselves) be determined by lot.

- 2.3.3 The tenure of an Independent Director should not exceed a cumulative term limit of nine (9) years. Upon completion of the 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 justify and seek annual shareholders' approval through a two-tier voting process in accordance with the practices and guidance set out in the MCCG, the LR and other applicable laws.

- 2.3.4 Pursuant to Paragraph 15.05 of the LR, a candidate shall not be considered fit for directorship if he/she:

- a) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence relating to the promotion, formation or management of a corporation;
- b) has been convicted by a court of law, whether within Malaysia or elsewhere, of any offence involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
- c) has been convicted by a court of law of an offence under the securities laws of Malaysia or the Act,

within a period of five (5) years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.

- 2.3.5 The office of a Director shall, ipso facto, become vacant if the Director:

- a) has a receiving order in bankruptcy made against him or he otherwise becomes bankrupt or makes any arrangement or composition with his creditor generally during his term of office;
- b) becomes disqualified from being a Director by reason of any order made under the Act or has been convicted of an offence under Sections 213, 217, 218, 228 and 539 of the Act;
- c) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001 during his term of office;
- d) is absent from more than fifty percent (50%) of the total Board meetings held during a financial year unless an exemption of waiver is obtained from the Bursa Securities;
- e) resigns from his office as Director by giving a notice in writing to the Company at its registered office subject to Section 196(3) and 209 of the Act;
- f) is removed from office of Director by resolution of the Company in general meeting of which special notice has been given;

- g) retires in accordance with the Act or the Constitution of the Company but is not re-elected;
- h) dies; or
- i) otherwise vacates his office in accordance with the Act or the Constitution of the Company.

## 2.4 Board Independence

2.4.1 Paragraph 1.01 of the LR defines an Independent Director means a director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company.

Without limiting the generality of the foregoing, an Independent Director is one who:

- a) is not, and has not been within the last three (3) years, an officer of the said Corporation. Corporation shall have the meaning as defined in section 2(1) of the Capital Markets and Services Act 2007. For this purpose, “officer” has the meaning given in Section 2 of the Act but excludes a director who has served as an independent director in any one or more of the said Corporations for a cumulative period of less than twelve (12) years;
- b) is not a major shareholder of the said Corporation;
- c) is not a family member of any Executive Director, officer or major shareholder of the said Corporation;
- d) is not acting as a nominee or representative of any Executive Director or major shareholder of the said Corporation;
- e) has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Securities, or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by Bursa Securities;
- f) has not engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities, or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities; or
- g) has not served an independent director in any one or more of the said Corporations for a cumulative period of more than twelve (12) years from the date of his first appointment as an independent director.



- 2.4.2 The roles of the Independent Non-Executive Directors are vital in bringing independent judgment and ensuring all issues proposed by the Executive Directors are fully discussed and examined to consider the long-term interests, not only for the shareholders, but also other stakeholders such as the employees and business associates.
- 2.4.3 The roles of the Senior Independent Non-Executive Director include the following:
- a) serves as a sounding board for the Chairman;
  - b) acts as an intermediary for other Directors, staff, members of the public when necessary;
  - c) leads the performance evaluation of the Chairman;
  - d) fosters objectivity in instances whereby the Chairman and Managing Director (“**MD**”)/Chief Executive Officer (“**CEO**”) are related;
  - e) serves as a designated contact for consultation and direct communication with shareholders and other stakeholders particularly on concerns which cannot be resolved through the normal channels of the Chairman and/or MD/CEO;
  - f) ensures all Independent Non-Executive Directors have the opportunity to provide input on agenda, and advise the Chairman on quality, quantity and appropriateness of the information submitted by the management that is necessary for the Independent Non-Executive Director to perform their duties effectively;
  - g) if as Chairman of the NRC leads the succession planning and appointment of Board members, and development of a diverse pipeline for the Board and management succession.
  - h) chairs meetings of the Board, in the absence of the Chairman; and
  - i) if as Chairman of the NRC leads the annual review of Board effectiveness, ensuring that the performance of each individual Director is assessed objectively and holistically.

### **3. ROLES AND RESPONSIBILITIES**

#### **3.1 The Board**

- 3.1.1 The business and affairs of the Company shall be managed by, or under the direction of the Board. The Board has the overall responsibility for the long-term success of the Group and delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and responsibilities, the Board assumes the following corporate governance guidelines:
- a) together with senior management, promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;

- b) reviewing, challenging and deciding on management’s proposals for the Group, and monitoring its implementation by management;
- c) reviewing and setting a strategic direction for the Group to ensure that the strategic and business plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- d) overseeing the conduct of the Group’s business to ensure it is properly managed, including supervising and assessing management performance and conduct of the business of the Group;
- e) identifying the principal risks and ensuring implementation of a sound framework of internal controls and mitigation measures to achieve a proper balance between risks incurred and potential returns to the shareholders;
- f) reviewing the information and risk management and internal control system and the effectiveness of the management;
- g) setting 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) ensuring there is an appropriate orderly succession for the positions of senior management who are of high caliber and have the necessary skills and experience. The Board delegates to the NRC to review succession plans and remuneration packages for the Directors respectively as well as the Group’s policies and procedures on remuneration for employees of the Group. The Board also ensures that there are appropriate policies for training, appointment and performance monitoring of management positions;
- i) developing and implementing an investor relations programme or shareholders’ communications policy for the Group to enable effective communication with stakeholders;
- j) reviewing and approving financial statements encompassing annual audited accounts and quarterly reports;
- k) reviewing and approving the reports of the Audit and Risk Management Committee (“**ARMC**”) and NRC at the end of each financial year;
- l) reviewing and approving the Company’s annual report;

- m) ensuring the integrity of the Company’s financial and non-financial reporting;
- n) undertaking a formal and objective annual evaluation to determine the effectiveness of the Board, the Board Committees and each individual Director;
- o) ensuring a collaborative and constructive relationship between the Board and senior management; and
- p) ensuring that the Group adheres to highest standard of ethical conduct, integrity and accountability in all business activities and operations and this include adopting a zero tolerance policy towards any form of bribery and corruption.

3.1.2 The Board needs to assure that the subsidiary(ies) of the Company and their directors adhere to the following:

- a) The subsidiary(ies) and their directors must provide the Company with any information requested by the Company to enable the Board to oversee the performance of the said subsidiary(ies) effectively, including assessing non-financial performance of the Group;
- b) The subsidiary(ies) and their directors must cause to be kept the accounting and other records to:
  - (i) sufficiently explain its business, transactions and financial position;
  - (ii) enable the preparation of true and fair financial statements; and
  - (iii) enable the accounting and other records to be conveniently and properly audited.
- c) The subsidiary(ies) and their directors must provide the Company with all information and record necessary to enable the preparation of the consolidated financial statements in accordance with the approved accounting standard;

The information and records required under 3.1.2 (b) and (c) shall be kept for not less than seven (7) years from the completion of transactions or operations to which the entries or records relate.

3.1.3 The Board reserves a formal schedule of matters for the Board’s deliberation and approval. This includes, amongst others, the following matters:

- a) strategic issues and planning, including sustainability;
- b) annual budget and performance reviews;

- c) quarterly financial results and audited financial statements;
- d) dividend policy or declaration of dividends;
- e) material acquisitions and disposals of undertakings and properties, business/companies, divestment, funding and significant capital expenditures;
- f) material borrowings;
- g) treasury policies;
- h) key human resources issues;
- i) proposed appointment of external auditors and their related fees;
- j) changes to the management and control structure within the Group, including key policies, procedures and delegated authority limits of the Group;
- k) related party transactions (“**RPT**”), recurrent RPT and conflict of interest;
- l) new venture of business;
- m) announcement to Bursa Securities for financial results, corporate exercise, annual reports, circular to shareholders;
- n) appointment of new Directors; and
- o) any other matters that required Board’s approval and deliberations.

#### 3.1.4 Accountability and Audit

##### a) Financial Reporting

The Board has overall responsibility for the quality and completeness of the financial statements of the Group, both on a quarterly and full year basis, and has a duty to ensure that those financial statements are prepared based on appropriate and consistently applied accounting policies, supported by reasonably prudent judgment and estimates and in accordance to the applicable financial reporting standards, regulatory and other legal requirements.

The ARMC plays a crucial role in assisting the Board to assess the suitability, objectivity and independence of the external auditors on an annual basis, to review the Company's financial reporting process, transactions and other financial information, to scrutinise the information for disclosure to shareholders to ensure material accuracy, adequacy and timeliness, and to challenge the management assertions on the Company's financials.

b) Risk Management and Internal Control

The Board is responsible for maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets, and for reviewing the adequacy and integrity of the system. The system of internal control covers not only financial controls but operational and compliance controls and risk management.

Risk management is an integral part of the Group's business operations and it is subject to periodic reviews by the Board. The Group adopted a structured risk management framework with discussions involving different levels of management to identify and address risks faced by the Group including compliance with environment, safety and health legislation and sustainable corporate governance.

The Board should disclose the features of its risk management and internal control framework and the adequacy and effectiveness of this framework, which disclosure should include:

- a discussion on how key risk areas such as finance, operations, regulatory compliance, reputation, cyber security and sustainability were evaluated and the controls in place to mitigate or manage those risks;
- a statement on whether the risk management framework adopted by the Company is based on an internationally recognised risk management framework;
- whether it has conducted an annual review and periodic testing of the Company's internal control and risk management framework as well as any insights it has gained from the review and any changes made to its internal control and risk management framework arising from the review.

Management is responsible for implementing the processes for identifying, evaluating, setting the risk appetite, monitoring and reporting risks and internal control, taking appropriate and timely corrective actions as needed, and for providing assurance to the Board that the processes have been carried out.

The ARMC has been entrusted by the Board to ensure the effectiveness of the Group's internal control systems. The activities of the outsourced internal auditors are reported regularly to the ARMC which should satisfy itself that the internal auditors have the relevant experience, sufficient standing and authority to enable them to discharge their functions, sufficient resources and are able to access information to enable them to carry out their role effectively, and the necessary competency, experience and resources to carry out the function effectively.

The Board should disclose whether the internal auditors are free from any relationships or conflicts of interest which could impair their objectivity and independence, the number of resources the internal auditors have, the name and qualifications of the persons responsible and whether the internal audit function is carried out in accordance with a recognised framework.

The Board recognises that identification, evaluation and management of significant risks faced by the Company are an on-going process. The improvement of the system of internal controls is an on-going process and the Board maintains on-going commitment to strengthening the Company's control environment and processes.

The Company outsources its internal audit function to an independent professional firm to help the Company to accomplish its goals by bringing an objective and disciplined approach to evaluate and improve the effectiveness of risk management, internal control, anti-corruption, whistleblowing and governance processes.

c) Relationship with Auditors

The Group has established a transparent relationship with both the outsourced internal auditors and the external auditors. The external auditors confirmed to the ARMC of their independency at each financial year and during their presentation of relevant audit memorandum. Such a relationship allows the Group to seek professional advice on matters relating to compliance and corporate governance. The internal audit function of the Group is outsourced to a third party. Similar to the external auditors, internal auditors also have direct reporting access to the ARMC to ensure that issues highlighted are addressed independently, objectivity and impartially without any undue influence of the management.

## **3.2 Chairman**

- 3.2.1 The Chairman plays a vital role in the Company in creating the conditions for a high performing Board.

- 3.2.2 The Chairman is elected by the Board members to provide leadership at Board level and represents the Board to the shareholders and other stakeholders. The Chairman shall act independently in the best interest of the Group.
- 3.2.3 The Chairman is responsible for ensuring Board effectiveness and promoting the highest standards of integrity, probity and corporate governance throughout the Group.
- 3.2.4 The roles and responsibilities of the Chairman, amongst others, are as follows:
- a) ensuring the Board functions effectively and independently of management;
  - b) reviewing the minutes of meetings of the Board after meeting, to ensure they accurately reflect the Board's deliberations, and matters arising from the minutes and on which further action is required have been addressed;
  - c) leading the Board in the adoption and implementation of good corporate governance practices in the Group;
  - d) setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;
  - e) leading Board meetings and discussions and acting as a facilitator in the meeting and ensuring no Board member, whether executive or non-executive, dominates the discussion and that appropriate discussion takes place and relevant opinions among Board members are forthcoming;
  - f) encouraging active participation at Board meetings and allowing dissenting views to be freely expressed;
  - g) managing interface between board and management;
  - h) promoting constructive and respectful relations between Directors and senior management;
  - i) ensuring compliance with all relevant regulation and legislation; and
  - j) representing the Board to shareholders and ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.
- 3.2.5 The positions of Chairman and MD/CEO are held by different individuals.
- 3.2.6 The Chairman should ensure that Board Committee meetings are not combined with the main Board meeting.

3.2.7 The Chairman should not be a member of other Board Committees of the Company.

### **3.3 Managing Director/Chief Executive Officer**

3.3.1 MD/CEO holds the primary executive responsibility for the Group's business performance which include making major corporate decisions, managing the overall operations and day-to-day management of the Group, acting as the main point of communication between the Board and corporate operations for the Group.

3.3.2 The MD/CEO is appointed by the Board upon recommendation of the NRC.

3.3.3 Generally, the MD/CEO is responsible to the Board for, amongst others, the following:

- a) managing the overall business and overseeing the day-to-day operations of the Group;
- b) ensuring the efficiency of the operations for the Group and that the conduct of business and affairs of the Group are carried out in an ethical manner and in compliance with the relevant applicable laws;
- c) leading in conjunction with the Board, the development of strategies, vision and business direction for the Group that delivers durable and sustainable value as well as maintaining the confidence of its stakeholders;
- d) leading and overseeing the implementation of the Group's short-term and long-term plans including environmental, social and governance considerations underpinning sustainability in accordance with its strategies;
- e) ensuring the Group has an effective management team and structure as well as developing management skills and putting in place an effective management succession plan to sustain continuity of operations;
- f) managing resources within budgets approved by the Board;
- g) assessing all business opportunities which are potentially benefit to the Group;
- h) maintaining awareness of the competitive market landscape, expansion opportunities and industry developments;
- i) representing the Group as the official spokesperson with all stakeholders including investors, regulators and business partners; and



- j) serving as a focal point for stakeholders’ communication and engagement on corporate governance issues.

### **3.4 Executive and Non-Executive Directors**

- 3.4.1 Executive Directors (“**EDs**”) are the senior management of the Company who are involved in the day-to-day management of the Group.
- 3.4.2 EDs assist the Board in decision-making process through their technical expertise and knowledge of the business and its industry.
- 3.4.3 EDs, with the help of management, assist the Board in facilitating the orientation of new Directors and Director training and development.
- 3.4.4 Non-Executive Directors (“**Non-EDs**”) are members of the Board who are not employees of the Company and are not involved in the daily management and operations of the Company. Non-EDs can be classified as:
  - a) those who have no direct or indirect pecuniary interest in the Company other than their Directors’ emoluments and their permitted shareholdings in the Company;
  - b) those who are not employees of the Company or affiliated with it in any other way and are not involved in the day-to-day running of business but may have a pecuniary interest in the Company, whether direct or indirect; or
  - c) those who are not employees of the Company but are standing as nominees for substantial shareholders.
- 3.4.5 Non-EDs need to be sound in judgment and have an inquiring mind.
- 3.4.6 Non-EDs should question intelligently, debate constructively, challenge rigorously and decide dispassionately.
- 3.4.7 Non-EDs may act as a bridge between management, shareholders and other stakeholders. They should provide the relevant checks and balances, focusing on shareholders’ and other stakeholders’ interests and ensuring that high standards of corporate governance are applied.
- 3.4.8 The responsibilities of Non-EDs are, amongst others, as follows:
  - a) advising and directing management in the development and evaluation of strategy;
  - b) scrutinising the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance;

- c) satisfying themselves that the financial information presented is accurate; and
- d) reviewing the risk management and internal control systems to ensure that they are robust and defensible.

### **3.5 Delegation to Management**

3.5.1 The Board’s role is to govern the Company rather than to manage it. In governing the Company, the Directors must act honestly, fairly, diligently and in accordance with the law and in the best interest of the Company as a whole. It is the role of management to manage the Company in accordance with the direction of and delegation by the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

## **4. BOARD COMMITTEES**

- 4.1 The Board has the right to set up the following Board Committees from time to time and delegate certain functions to the Board Committees to assist it in carrying out its duties and responsibilities for the Company:
- ARMC; and
  - NRC.
- 4.2 Specified terms of reference of the Board Committee shall be established in writing to cover matters such as the purpose, composition and functions of the Board Committee.
- 4.3 These Board Committees do not make decision on behalf of the Board. Each Board Committees will have the authority to examine particulars issues within its Terms of Reference (“**ToR**”) and make the necessary recommendations to the Board for its consideration and decision making.
- 4.4 The duties and powers delegated to these Board Committees are set out in the ToR of each Board Committee as approved by the Board. The ToR of each Board Committee is available on the Company’s website at [www.pineappleresources.com.my](http://www.pineappleresources.com.my).

## **5. BOARD MEETINGS**

### **5.1 Frequency**

The Board shall conduct at least four (4) meetings on a quarterly basis in each financial year with additional meetings to be convened as it deems necessary. The Company Secretary shall in advance prepare and distribute to all Directors a timetable for the meeting for the year.

## **5.2 Notice and Agenda**

Unless otherwise determined by the Board from time to time, notice of all Directors' meeting shall be given and circulated to all Directors and their alternates by facsimile, electronic mail or other communication modes/equipment. The notice of Board meeting, detailed agenda together with the Board papers or such relevant meeting materials shall be circulated five (5) business days in advance, or such shorter period where it is unavoidable, prior to each Board meeting allowing the Directors sufficient time to review the same. Directors are expected to review in advance the meeting materials to facilitate meaningful deliberation during each meeting. Where necessary, senior management and/or external professionals may be invited to attend these meetings to clarify and/or explain matters being tabled.

The agenda shall include, amongst other things, matters specifically reserved for the Board's decision.

The agenda shall address high-priority strategic and operational issues, where required, and the Chairman shall ensure that there is sufficient time for discussion.

## **5.3 Quorum**

The Directors may meet together for the dispatch of business on such time and place, adjourn and otherwise regulate their meetings and proceedings as they deem fit. The quorum necessary for the transaction of the business of Directors shall be two (2).

## **5.4 Chairman's role in meeting**

In the absence of the Chairman, the members present shall elect a Chairman from amongst themselves to chair the meeting. The Chairman encourages constructive and healthy debate and allows the Directors to freely express their views or share information with their peers in the course of deliberation as a participation Board.

## **5.5 Attendance**

The Board must disclose the number of Board meetings held in a year and details of attendance of each individual Director in respect of meetings held.

All Directors must meet the minimum 50% attendance requirement imposed under the LR. Senior management who are not Directors may be invited to attend the Board meetings and report on certain matters relating to their areas of responsibility. The Board may also invite external parties such as internal and external auditors, solicitors, consultants, advisors etc. to attend as and when the need arises.

## **5.6 Meeting Mode**

The Directors may participate at a Board meeting or any Board Committee meeting by means of telephone conference, videophone conference, electronic or such other communication equipment or electronic means which would allow all persons participating in the meeting to communicate, hear, speak and/or see each other simultaneously and instantaneously. The physical presence of Director(s) is not compulsory and participation at such Board meeting in the aforesaid manner shall be regarded as personally attending or shall be deemed to be present in person at such meeting. The Directors participating at any such Board meeting shall be counted in the quorum and be entitled to vote.

All businesses transacted and resolutions agreed upon by the Directors at such a meeting shall be deemed to be valid and effective as a resolution passed at a meeting in person of the Directors duly convened and held. All information and documents must be made equally available to all participants prior to, at or during the Board meeting. The participation in a meeting by means of telephone conference or similar electronic telecommunication device shall be treated with confidence, and the Directors shall prevent any leakage of information or materials to any third party and are expected to strictly observe confidentiality of the information of the Company.

### **5.7 Directors' Circular Resolution**

In the event matters requiring the Board's decision arise between Board meetings, such matters shall be resolved through Directors' Circular Resolutions ("DCRs") which shall be supported by relevant papers/documents setting out details of the subject matter. Such DCRs signed or approved by a majority of the Directors entitled to receive notice of a meeting of the Directors, if transmitted to the Company by facsimile or any technology purporting to include a signature and/or an electronic or digital signature by the Director shall be as valid and effectual as if it were a resolution duly passed at a Board meeting. Such resolutions may consist of several documents in like form, each signed by one (1) or more Directors or their alternates.

### **5.8 Voting**

All resolutions of the Board shall be decided by a majority of votes, each member have one (1) vote. In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote. The Chairman of the meeting shall however not have a second or casting vote where two (2) Directors form a quorum and only such a quorum is present at the meeting, or only two (2) Directors are competent to vote on the question at issue.

Directors are required to inform the Board of conflicts or potential conflict of interest that they may have in relation to a particular subject matter or business transaction. These Directors shall not participate and to abstain from deliberation and voting on those matters.

### **5.9 Minutes**

The minutes shall reflect the deliberations and decisions of the Board, including any dissenting views and if any Director has abstained from voting or deliberating on a particular matter, as well as the rationale behind those decisions. Minutes of meeting shall be circulated to all members of the Board in a timely manner.

## **6. REMUNERATION OF DIRECTORS**

- 6.1 The performance of Directors is measured by the Directors' contribution and commitment to both the Board and the Company. The Board shall develop a fair and transparent procedure for setting policy on the remuneration of Directors and shall implement them through the NRC.
- 6.2 The fees and any benefits payable to the Directors shall be subject to annual approval by the shareholders at a general meeting and shall from time to time be determined by the Company in the general meeting.

- 6.3 The Directors shall be paid all travelling, hotel and other reasonable expenses, properly and necessarily expended by them in the execution of their duties including any such expenses incurred in connection with attending and returning from meetings of Directors or Board Committees or any other meetings of the Company in connection with the business of the Company.
- 6.4 The Company shall provide a fair, reasonable and competitive remuneration for its EDs to ensure that the Company attracts and retains high caliber EDs who have the skills, experience and knowledge to increase entity value to the benefit of all shareholders.
- 6.5 The Board shall establish a formal and transparent process for approving the remuneration of Directors, whereby the NRC is responsible for reviewing the remuneration policy and procedures and making recommendations on the same to the Board for approval. In its review, the NRC considers various factors including fiduciary duties, time commitments expected of them and the Company's performance. Notwithstanding, where the Directors are also shareholders, they shall abstain from voting at general meetings of the Company to approve their fees and Executive Directors shall not be involved in deciding their own remuneration.

## **7. INDUCTION AND TRAINING FOR BOARD MEMBERS**

- 7.1 Newly appointed Directors are required to complete the Mandatory Accreditation Programme required under the LR.
- 7.2 All Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes to enable Directors to effectively discharge their duties and sustain active participation in Board deliberations.
- 7.3 The Board with the assistance of NRC, shall assess the training needs of the Directors from time to time, to ensure that Directors have access to training courses or seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of Directors as well as continuing education programmes in order to update their knowledge and skills to sustain their active participation in Board deliberations and effectively discharge their duties.
- 7.4 The Board shall disclose in the Annual Report the training attended by the Directors and shall include the following information:
  - (a) the Board has undertaken an assessment of the training needs of each Director;
  - (b) a brief description on the type of training that the Directors have attended for the financial year; and
  - (c) in exceptional circumstances where any Director has not attended any training during the financial year, valid justifications for the non-attendance of such Director.

## **8. GENERAL MEETINGS**

### **8.1 Annual General Meeting (“AGM”)**

- 8.1.1 An AGM is a yearly gathering between the shareholders of the Company and its Board. The Directors must ensure that AGM provides an important opportunity for effective communication with, and constructive feedback from the shareholders of the Company.
- 8.1.2 The Company shall once in every calendar year hold an AGM within six (6) months of the financial year end of the Company and not more than fifteen (15) months after the last preceding AGM.
- 8.1.3 The notice convening an AGM shall specify the place, date and time of the meeting, and shall be given to all shareholders, Directors and auditors of the Company at least twenty-one (21) clear days before the meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least twenty-one (21) clear days’ notice of such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to Bursa Securities.

Pursuant to Practice 13.1 of the MCCG, notice for an AGM shall be given to the shareholders at least twenty-eight (28) days prior to the meeting.

- 8.1.4 No business shall be transacted at the AGM unless a quorum is present at the time when the meeting proceeds to business. Save as otherwise provided, two (2) members present in person or by proxy or in the case of corporations which are members, present by their representatives appointed pursuant to the provision of the Company’s Constitution and entitled to vote shall be a quorum.
- 8.1.5 The Chairman shall encourage active participation by the shareholders during the AGM. The Chairman, where appropriate, the MD/CEO and/or senior management shall provide meaningful response to shareholders’ queries during AGM. If time does not permit for further discussions during the AGM, the Board shall leverage on communication technology to continue to communicate with the shareholders outside of the AGM.

### **8.2 General Meeting (“GM”)**

- 8.2.1 The Directors may whenever they so decide by resolution, convene a GM other than AGM to transact other businesses. GMs shall also be convened on any requisition made in accordance with Section 311 of the Act or if the Company makes default in convening a GM in compliance with a requisition received pursuant to Section 312 of the Act, a GM may be convened by such requisitionists in the manner provided in Section 313 of the Act. Any GM convened by requisitions shall be convened in the same manner, as nearly as possible, as that in which GMs are to be convened by the Directors.

- 8.2.2 Subject always to the provisions of Section 323 of the Act, no business shall be transacted at a GM except business of which notice has been given in the notice convening the GM.
- 8.2.3 The notice convening a GM shall specify the place, date and time of the meeting, and shall be given to all shareholders at least fourteen (14) clear days before the meeting or at least twenty-one (21) clear days before the meeting where any special resolution is to be proposed. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) clear days' notice or twenty-one (21) clear days' notice in the case where any special resolution is proposed of such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to Bursa Securities.
- 8.2.4 No business shall be transacted at any GM unless a quorum is present at the time when the meeting proceeds to business. Save as otherwise provided, two (2) members present in person or by proxy or in the case of corporations which are members, present by their representatives appointed pursuant to the provision of the Company's Constitution and entitled to vote shall be a quorum.

## **9. ACCESS TO INFORMATION**

- 9.1 All Directors whether as a full Board or in their individual capacity, shall have unrestricted access to the management for any information pertaining to the Group, including access to the advice and services of the Company's auditors, consultants, Company Secretary, which is relevant in furtherance of their duties and responsibilities as Directors of the Company at the expense of the Company.

## **10. ACCESS TO INDEPENDENT PROFESSIONAL ADVICE**

- 10.1 In discharging the Directors' duties, each Board member is entitled to obtain independent professional advice at the expense of the Company. This is for advice deemed relevant and necessary for the Directors to discharge their duties for the overall benefit of the Company.
- 10.2 In such circumstances, the Director shall first discuss it with the Chairman and provide the request to seek professional independent advice for the Board's consideration and approval. It must be noted that such a restriction is not applicable to the ED who is acting in his/her capacity in furtherance of his/her executive responsibilities and within his/her delegate powers.

## **11. CONFIDENTIALITY AND DISCLOSURE OF INTEREST**

- 11.1 The Directors are required to act in the best interest of the Company. The Directors also have a duty of confidentiality in relation to the Company's confidential information.

11.2 All information and documentation received by the Board from the Company shall be treated as confidential, unless otherwise expressly decided by the Board. All Board members are responsible for ensuring that any material received is properly protected and remains confidential. If any information is to be provided to the third parties, this shall be decided by the MD/CEO.

11.3 A Director should disclose to the Board:

- a) any material personal interest they have in a matter which relates to the affairs of the Company; and
- b) any other interest (direct or indirect) which the Director believes is appropriate to disclose in order to avoid any conflict of interest or the perception of a conflict of interest.

11.4 The disclosure should be made as soon as practicable after the Director becomes aware of his/her interest. Details of the disclosure must be recorded in the minutes of the meeting at which the disclosure is made or the meeting held following the disclosure.

## **12. DEALINGS IN SECURITIES**

12.1 A Director must not deal in the Company's securities when he/she is in possession of price sensitive information. All Directors must also comply with the disclosure requirements as prescribed under Chapter 14 of the LR when dealing in the Company's securities.

## **13. WHISTLEBLOWING POLICY**

13.1 The Board is committed to ensure that its business and operations are conducted in an ethical and honest manner and with integrity. To achieve this purpose, the Board has established a Whistleblowing Policy ("WBP") which is made available on the Company's website at [www.pineapplesources.com.my](http://www.pineapplesources.com.my).

13.2 The implementation of the WBP is in line with the Whistleblower Protection Act 2010, Malaysian Anti-Corruption Commission Act 2009 and all other applicable laws and regulations in force in Malaysia.

13.3 The objective of the WBP is to provide an avenue for employees within the Group, vendors and members of the public to report instances of any unethical behavior, improper conduct, actual or suspected fraud and/or abuse within the Group.

## **14. FIT AND PROPER POLICY**

14.1 The Board has a Fit and Proper policy which sets out the fit and proper criteria for the appointment and re-election of Directors of the Company and its subsidiaries to ensure that each of its Director has the character, experience, integrity, relevant range of skills, knowledge, experience, competence, time and commitment to effectively discharge his/her role as a Director of the Company.

14.2 The Board, as assisted by the NRC is responsible for conducting assessments on the fit and proper conduct of the Directors and to make the necessary decision on the appointment and re-election.



14.3 The Fit and Proper Policy is made available on the Company's website at [www.pineapplesources.com.my](http://www.pineapplesources.com.my).

## **15. ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

15.1 The Group takes a zero-tolerance approach to all forms of corruption and bribery as well as a strong stance against such acts. The Group is committed to conducting its business in a fair, open, honest and transparent manner. The Board has formalised and established the Anti-Bribery and Anti-Corruption Policy (“**ABAC**”), a copy of which is made available on the Company's website at [www.pineapplesources.com.my](http://www.pineapplesources.com.my).

15.2 The Group strongly opposes any acts of fraud, bribery and corruption that compromises business ethics and damages an organisation's reputation.

15.3 The Group is bound by the laws pursuant to Malaysian Anti-Corruption Commission Act 2009 and Malaysian Anti-Corruption Commission (Amendment) Act 2018 in regard to its conduct. This policy applies to the Board, employees and any potential/existing business associated engaged in activities with the Group. Any arrangement in the Group makes with these parties is subject to clear contractual terms including specific provisions that require the third party to comply with standards and procedures relating to anti-bribery and corruption outlined in the ABAC.

15.4 The ABAC describes the Group's stance on areas relevant to fraud, bribery and corruption and provides a guidance on how the Group's personnel are expected to conduct themselves in encountering potential acts of fraud, bribery and corruption that may occur within the Group as well as in its interactions with its business associates.

15.5 The objectives of the ABAC are as follows:

- (a) to protect the Group against any possible penalties and/or repercussions resulting from any acts of bribery and/or corruption and/or being associated with such behavior;
- (b) to fulfil the legal and regulatory requirements and sets out the Group's overall position on bribery and corruption in all forms including but not limiting to dealing with third parties, managing conflicts of interest, gifts, hospitality, entertainment, donations, sponsorships, recruitment, promotion and/or whistleblowing;
- (c) to ensure the Group has adequate procedures in place to prevent and detect any acts of bribery and/or corruption;
- (d) to provide guidance for the Group's personnel and business associates and assist them to identify and deal with bribery and corruption issues, as well as understanding their roles and responsibilities;
- (e) to set out the Group's responsibilities and the responsibilities of those working for and/or with the Group in observing and upholding the Group's position on bribery and/or corruption.

## **16. CODE OF CONDUCT AND ETHICS (“CCE”)**

- 16.1 The Board observes the Code of Ethics for the Company Directors issued by the Companies Commission of Malaysia.
- 16.2 The objective of the CCE is to provide professional and ethical guidelines for the Directors and all employees of the Group with the aim to establish, maintain and enhance the reputation, image and branding of the Group; and to display the highest level of professionalism in all aspect of their task.
- 16.3 All Directors and employees of the Group in exercising and/or discharging their powers or duties shall comply with all the applicable laws, rules and regulations including the constitution of the Group. The core areas of conduct include the following:
- (a) compliance at all times with the CCE;
  - (b) observe high standards of business, professional and ethical conduct, and refrain from offering, giving, or receiving any gifts and any other form of benefits (in kind, cash, advantages and/or favour, etc.) from persons or entities who deal with the Company where the gift would reasonably be expected to influence the performance of the employees’ duties in any aspect;
  - (c) adhere to the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership, including fair dealing and the ethical handling of conflicts of interest;
  - (d) not misuse information gained in the course of duties for personal gain or for political purposes;
  - (e) uphold accountability and act in good faith and in the best interests of the Group's corporate opportunities, assets and confidential information;
  - (f) ensure the protection of the Group's legitimate business interests, including corporate opportunities, assets and confidential information;
  - (g) ensure full, fair, accurate, timely and understandable disclosure; and
  - (h) declaration of any personal, professional or business interests that may conflict with responsibilities.

In the event of any violation of this CCE by any Director or employee of the Group, the Board shall determine the appropriate action to be taken after considering all relevant information and circumstances.

The Board shall review the CCE regularly to ensure that it continues to remain relevant and appropriate.

## **17. INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION**

- 17.1 The Board acknowledges and values the importance of an effective and clear communication with its shareholders as well as with its potential investors and the public.

17.2 The Board is fully committed that the highest standard of transparency and accountability in the disclosure of pertinent information relating to the Group, are adopted. To achieve this, the Company has implemented amongst others, the following:

- a) timely release of announcements to Bursa Securities, which include quarterly financial results, material contracts awarded and any other material information that may affect investors' investment decision;
- b) to conduct regular dialogues with financial analysts as a means of effective communication, which enables the Board and senior management to convey information relating to the Group's performance, corporate strategy and other matters affecting shareholders' interests;
- c) to conduct press conference after the AGM/GM to provide the media an opportunity to receive updates from the Board on the proceedings at the meetings and to address any queries from the media;
- d) to allow shareholders to engage in interactive and robust discussion on the Company's financial and non-financial performance as well as the Company's long-term strategies during AGM. The Company shall also invite the external auditors to attend the AGM and be available to answer to shareholders' questions about the conduct of the audit and the preparation of the auditors' report;
- e) to publish minutes of AGM together with issues or concerns raised by shareholders and responses by the Company no later than 30 business days after the completion of the meeting, on the Company's website at [www.pineappleresources.com.my](http://www.pineappleresources.com.my); and
- f) to allow shareholders to gain access to information about the Company including the summary of the Group's investor relation activities and media releases through the Company's website at [www.pineappleresources.com.my](http://www.pineappleresources.com.my).

## 18. COMPANY SECRETARY

18.1 The Company Secretary shall be a person who is qualified pursuant to Section 235 of the Act.

18.2 The Board is supported by a suitably qualified and competent Company Secretary who plays an important role to provide sound governance advice, ensure adherence to rules and procedures and advocate the adoption of corporate governance best practices.

18.3 The responsibilities of the Company Secretary are, amongst others, the following:

- a) ensuring that the Board procedures are followed while a meeting is conducted;
- b) managing all Board and Board Committee meeting logistics, attending and recording minutes of all Board and Board Committee meetings;
- c) advising the Board on its roles and responsibilities;

- d) advising the Board on corporate disclosures and compliance with the Act, securities regulations and the LR;
- e) managing procedures pertaining to AGM/GM;
- f) monitoring corporate governance developments and assisting the Board in adopting good corporate governance practices to meet the Board's needs and stakeholders' expectations; and
- g) circulate notices of Board and Board Committees meetings and meeting materials.

## **19. REVIEW OF THE BOARD CHARTER**

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

19.2 The Board Charter is made available for reference on the Company's website at [www.pineappleresources.com.my](http://www.pineappleresources.com.my).