



TEXCHEM RESOURCES BHD.

BOARD CHARTER

1. INTRODUCTION

1.1 The Board Charter sets out the principles governing the Board of Directors (“Board”) of Texchem Resources Bhd. (“Company”) and adopts the principles of good corporate governance and practice in accordance with applicable laws, rules and regulations in Malaysia.

1.2 The Board Charter was designed to achieve the following objectives:

- (a) To enable the Board to provide strategic guidance and effective oversight of Management;
- (b) To clarify the roles and responsibilities of members of the Board and Management to facilitate Board and Management’s accountability to the Company and its shareholders; and
- (c) To ensure a balance of authority so that no single individual or group of Directors has unfettered powers.

2. AUTHORITY, COMPLIANCE WITH LAWS AND INTERNAL CODE OF CONDUCT

2.1 The Board:

- (a) derives its authority to act from the Memorandum & Articles of Association of the Company and also the laws and regulations governing companies in Malaysia ; and
- (b) will comply with the Code of Conduct developed and approved by the Board from time to time.

3. BOARD COMPOSITION

The Board should comprise of executive and independent non-executive directors with a broad range of skills and expertise in areas such as finance, corporate affairs, legal, marketing and operations, independence and diversity (including gender diversity) and who are committed to business integrity and professionalism in all its activities and have a proper understanding of and competence to deal with the current and emerging business issues.

4. BOARD AND MANAGEMENT

- (a) The Board may delegate its power as it considers appropriate. However, ultimate responsibilities for strategy and control rests with the Board.
- (b) The Board recognises that the decision making process is highly contingent on the quality of information furnished. As such, all Directors have unrestricted access to any information pertaining to the Company and the Group.
- (c) The Chairman ensures that all Directors have full and timely access to information with Board papers distributed in advance of meetings. This ensures that Directors have sufficient time to appreciate issues to be deliberated at the Board meeting and expedites the decision making process.
- (d) There is also a formal procedure sanctioned by the Board, whether as a full Board or in their individual capacity, for Directors to obtain independent professional advice at the Company's expense.

5. BOARD'S DUTIES AND RESPONSIBILITY

5.1 The Board plays a pivotal role in stewardship of the Group's direction and operations, and ultimately the enhancement of long-term shareholder value. To fulfil this role, the Board will:

- (a) at all times act honestly, fairly and diligently in all aspects in accordance with the laws, rules and regulations applicable to the Company.
- (b) ensure shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.
- (c) identify and manage principal risks affecting the Company.
- (d) be responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for Management and monitoring the achievement of these goals.
- (e) input into and final approval of Management development of corporate strategy, including setting performance objectives.
- (f) monitor corporate performance and implementation of strategy and policy.
- (g) monitor and review Management processes aimed at ensuring the integrity of financial and other reporting with the guidance of the Audit Committee.
- (h) ensure that succession planning of the senior Management is in place.
- (i) monitor the Board composition, processes and performance with the guidance of the Nomination Committee.
- (j) review and approve remuneration of Directors under the guidance of the Remuneration Committee.

TEXCHEM RESOURCES BHD.
BOARD CHARTER

5.2 The Board has a formal schedule of matters reserved to itself for decision, which includes, amongst others, the following:

- (a) establishment of a vision and strategies for the Group in conjunction with Management;
- (b) approval of the terms of reference and memberships of Board committees;
- (c) approval of the Group policies which may be developed from time to time;
- (d) the acquisition and divestment policy;
- (e) approval of major capital expenditure projects;
- (f) consideration of significant financial matters; and
- (g) the review of the financial and operating performance of the Group.

5.3 The schedule in paragraph 5.2 above ensures that the governance of the Group is in the Board's hands.

6. DELEGATION OF POWERS

6.1 The Board may from time to time establish committees as it considers necessary or appropriate to assist it in carrying out its responsibilities.

6.2 The Board has established the following committees which operate within its own specific terms of reference approved by the Board.

- (a) Executive Committee;
- (b) Audit Committee;
- (c) Nomination Committee; and
- (d) Remuneration Committee.

6.3 These committees shall undertake in-depth deliberation of the issue at hand before tabling its recommendations thereon to the Board.

6.4 The Board may also delegate specific functions to ad hoc committees as and when required.

7. REVIEW OF CHARTER

The Board will periodically review the Board Charter and make any changes it determines necessary or desirable.