



## Charter of Board of Director

### **Composition of the Board of Directors**

The Company structures the size of its Board of Directors to be appropriate to the size of its business. The AAPICO Board of Directors consists of seven members, two of whom are executive directors namely Mr. Yeap Swee Chuan and Mrs. Teo Lee Ngo who also are executive and authorized directors to jointly sign on behalf of the Company, and five are independent directors. The Company ensures its Board composition reflects diversity of gender, culture, skillset, knowledge as well as experience in different areas of the Company's business. None of the Board of Directors has any position in the external audit firm that the Company uses.

The Company ensures that the number of independent directors constitutes more than half of the total number of directors. Each director holds the necessary qualifications required by law and does not indicate any disqualifications against being entrusted with the administration of the Company, as per SEC notice and the law. Additionally, the Company set a policy for the Board's diversity in genders, skill, professions, and specialization (Skill Matrix). To date, the number of the Company's Independent Directors exceeded that required by law.

Furthermore, the Board has set the policy regarding the criteria of the number of directorships in listed companies, in which directors can serve no more than three listed companies in the SET to assure that the Board devotes their time and effort to perform their duties for the highest benefit of the Company.

The Board of Directors has been appointed through a resolution of the shareholders' meeting and is entrusted with the power and duties to approve the appointment of executives, senior managements, and directors of the Company. It also has the duty to supervise the proceedings and operations of the Company. Roles, duties, and responsibilities between the Board of Directors and the executives are clearly separated and are in accordance with the law, requirements, ethics, and business ethics.

### **Roles and Duties of the Board of Directors**

The Board of Directors plays an important role in overseeing and advising the business to ensure that the operation is to the shareholders' long-term benefits. The Board of Directors is composed of respectable, knowledgeable, and competent individuals with the skills and experience in various areas that are relevant and beneficial to the Company.

#### **Roles and Responsibilities of the Board of Directors**

The Board of Directors has roles and responsibilities that are clearly separated from those of the Company's management in order to ensure that business is conducted in a lawful and ethical manner, and that operations are run efficiently. The roles and responsibilities of the Board of Directors include - but are not limited to - the following:

- 1) Consider, advise, and approve key business matters, including the Company's vision and mission, business strategy, financial targets, business risks, annual operation plan, and budget. The Board of Directors is also responsible for ensuring that the management operates in an efficient and a productive manner.
- 2) Set up and review the Company's Corporate Governance policy and monitor compliance with the policy at least once a year. Ensure that the Company's Code of Conduct is in a written form so that the

- 3) Company's directors, executives, and employees are aware of the Company's ethical standards, and that they act in compliance with said Code of Conduct.
- 4) Define guidelines for related transactions with conflicts of interest for the benefit of the Company and shareholders, whereby persons with a vested interest cannot participate in the voting or decision-making process of that matter. Ensure that the Company complies with regulatory requirements and that disclosures of any transactions with conflicts of interest are correct and complete.
- 5) Define guidelines for related transactions with conflicts of interest for the benefit of the Company and shareholders, whereby persons with a vested interest cannot participate in the voting or decision-making process of that matter. Ensure that the Company complies with regulatory requirements and that disclosures of any transactions with conflicts of interest are correct and complete.
- 6) Ensure that an internal control system is in place and in effect and that financial reporting and operations are in compliance with rules and regulations; and assign a person or unit to independently audit and report on the Company's internal control system to the Board of Directors at least once a year.
- 7) Establish the risk management policy and assign a team to manage the Company's risks and to look for business opportunities that may arise from these risks and report to the Board of Directors on a regular basis.
- 8) Provide communication channels between the shareholders and ensure that disclosures of information are correct, concise, transparent, and reliable.
- 9) Understand the roles and responsibilities of the Board of Directors and the Company's nature of business and is willing to voice opinions freely
- 10) Perform duties with honesty and due care, heeding the Company's best interest and ensuring fair treatment towards the shareholders.
- 11) Oversee and monitor business operations through accurate and complete financial reports, as well as devote sufficient time and effort to carry out roles and responsibility to the best of ability

#### **Roles and Responsibilities of the Chairman of the Board of Directors**

The Chairman of the Board of Directors leads the Board of Directors and ensures that work is carried out smoothly and efficiently as planned. The roles and responsibilities of the Chairman of the Board of Directors are as follows:

- 1) Supervise, regulate, and follow up on the administrative progress of the board of directors and its sub-committees to ensure an efficient workflow that meets all the Company's objectives and targets
- 2) Call for meetings of the board of directors, or delegate the call for a meeting
- 3) Serve as the head of board meetings and as the head of the Company's shareholder meetings.
- 4) Manage the meetings to progress efficiently and smoothly, while also encouraging and supporting the expression of free opinions.
- 5) Serve as the deciding voice in the event of a tie during voting at a meeting.
- 6) Encourage and support the board of directors to fulfill their duties and responsibilities to the fullest of their abilities in accordance with the principle of good corporate governance.
- 7) Determine the composition, size, and the Board structure in order to create a balance between executive directors and independent directors.

- 8) Ensure comprehensive induction programs for new directors.
- 9) Ensure that the Company has succession plans for senior executives.
- 10) Appoint the Company Secretary to assist with Board functions.
- 11) Manage the Board meeting to allocate sufficient time for agenda presentation and upcoming issues discussion
- 12) Engage the board regularly in assessing and improving the performance.

### **Powers and Duties of the Board of Directors**

The Board of Directors is responsible for overseeing and governing the Company to operate in compliance with laws, objectives, the Articles of Association, and resolutions of shareholders' meeting; and acts in accordance with criteria and regulations of the SET and SEC with honesty and due attention to the best interests of the Company and its shareholders, which must follow good moral and ethical concerns.

The Board of Directors has come to an agreement that it will have the responsibilities to consider and approve the following matters.

- 1) The quarterly business performance and financial statements of the Company in comparison to the forecast, budget, and the consideration of future trends of the year.
- 2) Related party transactions among the Company, its subsidiaries, associates, and related companies or individuals so that they do not violate the regulations of the SET and SEC.
- 3) Any transactions that would materially affect the Company's capital structure, financial position, business operation, strategy, or reputation.
- 4) Payment of interim dividends.
- 5) Employment of the President and senior executives.
- 6) Determine and consider the change of the approval authority of the Company.
- 7) Acquisitions and disposals of businesses and assets – including investment in joint ventures – that have transactional value which requires the board's approval according to SET announcements. These transactions shall not violate any rules of the SET relating to the acquisition and disposal of assets or connected transactions.
- 8) Oversee contracts that may or may not be related to the ordinary course of business, which are significant in value and material to the Company's business.
- 9) Changes of policy and operations that have a material impact on the Company's accounting, risk management, and internal audit.
- 10) The appointment and determination of authority of the Company's sub-committees.
- 11) The proposal, appointment, and termination of the Company's directors and secretary.
- 12) Any other actions in accordance with laws, objectives, Articles of Association, and resolutions of shareholders' meetings.

The Board of Directors may authorize directors or the committee to perform any acts on their behalf, except on the following subjects, which can only be done upon the approval via the shareholders' meeting

- 1) Matters on which the law requires approval via shareholders' meeting.

- 2) Transactions in which directors have vested interests in and for which the law or regulations of the SET require a resolution via the shareholders' meeting. Directors with vested interests in the matter, or who have a conflict of interest with the Company or its affiliated companies, shall be excused from voting.

The following cases must be approved by the Board of Directors and the shareholders' meeting with a vote of not less than 3/4 of the total votes of the shareholders in attendance who are entitled to vote:

- 1) Any sale or transfer of the entire or a significant part of the Company's business.
- 2) Any purchase or takeover of other firms by the Company.
- 3) Any making, amendment, or termination of contracts with respect to the granting of a lease of the whole or a significant part of the business of the Company, the assignment of the management of the business of the Company to any other person, or the amalgamation of the business with other persons with the purpose of profit and loss sharing.
- 4) Amendments to the Article of Association and/or the Memorandum of Association.
- 5) The increase and decrease of capital, the issuance of debentures, and the amalgamation or dissolution of the Company.