

BOARD CHARTER

1. INTRODUCTION

The Board of Directors of Silver Ridge Holdings Bhd (“SRHB” or “the Company”) are committed to upholding the highest standards of Corporate Governance throughout the Company and its subsidiaries (“the Group”) by applying the following principles of good governance in the discharge of the Board’s duties and responsibilities and in all of the Group’s business dealings with its shareholders and relevant stakeholders:

- The Board is the focal point of the Company’s Corporate Governance system. The business of the Company is managed by the Directors within the powers under the Company’s Memorandum and Articles of Association and Companies Act, 1965;

- All Board members are expected to exercise their powers for proper purpose and in good faith in the best interest of the Company; and

- This Board Charter shall constitute, and form, an integral part of each Director’s duties and responsibilities.

2. OBJECTIVES

This Board Charter sets out the role, functions, composition, operation and processes of the Board and seeks to ensure that all Board members are aware of their duties and responsibilities as Board members. It further highlights the principles and practices of good Corporate Governance that must be applied in all their dealings with and on behalf of, the Company.

This Board Charter would act as a source of reference and primary induction literature to provide insights to prospective Board members and Senior Management on the matters set out in the preceding paragraph. In addition, it will assist the Board in assessing its collective performance and that of each individual Director. The Board acknowledges that the Board has full and unfettered right to carry out its duties under law and that this Charter is not intended to limit the Board’s discharge of its duties in accordance with and as required by the applicable laws.

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3. THE BOARD

3.1 Board Membership

3.1.1 Composition and Board Balance

3.1.1.1 The Board comprises members of high calibre and integrity with diverse professional backgrounds, skills, extensive experience and knowledge in the areas of telecommunications, information and technology, entertainment, finance, business, general management strategy, sales and distribution required for the successful direction of the Group.

3.1.1.2 The Company's Articles of Association ("Articles") provides for a minimum of two (2) directors and a maximum of twelve (12) directors. At any one time, at least two (2) or one-third (1/3), whichever is higher, of Board members must comprise of Independent Directors.

3.1.1.3 The presence of the Independent Non-Executive Directors is essential in providing unbiased and impartial opinion, advice and judgement to ensure that the interests, not only of the Group, but also of its shareholders, employees, customers, suppliers and other communities in which the Group conducts its business are well represented and taken into account. The Independent Non-Executive Directors thus play a key role in corporate accountability.

3.1.1.4 The Board has identified a Senior Independent Director to whom queries or concerns regarding the Group may be conveyed.

3.1.2 Appointments

3.1.2.1 The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination Committee ("NC"). In making these recommendations, the NC assesses the suitability of candidates, taking into account the required mix of skills, knowledge, expertise and experience, character, professionalism, integrity, competencies, time commitment and other qualities, which the Director would bring to the Board.

3.1.2.2 The Company Secretary has the responsibility for ensuring that the relevant procedures relating to the appointment of new Directors are properly executed.

3.1.2.3 The directorships held by any Board member at any one time in both listed and non-listed companies shall not exceed the restriction in number or such other requirements as may be prescribed by the ACE Market Listing Requirements ("ACE LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") from time to time.

3.1.3 Re-election

3.1.3.1 The Articles provide that all Directors who are appointed by the Board may only hold office until the following Annual General Meeting ("AGM") subsequent to

their appointment and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are required to retire by rotation at that AGM.

3.1.3.2 The Articles also provide that one-third of the Directors are subject to retirement by rotation at every AGM but are eligible for re-election provided always that all Directors including the Managing Director and Executive Directors shall retire from office at least once in every three years.

3.1.3.3 The Board will assess the Directors' standing for re-election to ensure that such Directors meet the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as Directors of the Company.

3.1.4 Independence

3.1.4.1 Where the Chairman of the Board is not an Independent Director, the Board must comprise a majority of Independent Directors to ensure the balance of power, authority and independence of the Board.

3.1.4.2 The Board should include significant representation by Directors who are capable and willing to make decisions which are in the best interests of members, free from interests and influences which conflict with that duty and are also independent of management.

3.1.4.3 The Board must annually assess the independence of each Independent Director in light of the interests they have disclosed and such other factors as the Board determines are appropriate to take into account in determining whether the Director is independent of management and free of any business or other relationship that could materially interfere with or could be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

3.1.4.4 The tenure of an Independent Director should not exceed a cumulative term of nine years. Upon completion of the nine years, such Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. Where upon assessment by the NC, there is strong justification for such Director to remain as an Independent Director, the Board may justify and make recommendation of the same to the shareholders for their approval.

3.1.5 New Directorships

3.1.5.1 All Board members shall notify the Chairman of the Board before accepting any new directorships in any other organisation. The notification shall include an indication of time commitment required under the new appointment.

3.1.5.2 An assessment shall be carried out for any newly appointed Director to ensure that the Director meets the criteria set out in Paragraph 2.20A of the MMLR on the character, integrity, expertise and time commitment required of the Director. Each Independent Director shall also be assessed to ensure independence in accordance with the criteria laid out in the MMLR and any other applicable law, regulation or Code.

3.1.6 Directors' Remuneration

3.1.6.1 The determination of the remuneration of the Executive Directors will be a matter to be decided by the Board as a whole. The mechanism for remuneration for Executive Directors is structured in a manner wherein an Executive Director is rewarded based on the Company's performance and also individual performance.

3.1.6.2 The remuneration of Non-Executive Directors shall similarly be decided by the Board as a whole and shall commensurate with their responsibilities, time commitment, experience, expertise and the complexity of the Company's activities. The remuneration should be in line with market practice and based on performance and is for the Board as a whole to determine, within the limits as set out in the Company's Articles of Association.

3.1.6.3 Any increase in Non-Executive Directors' remuneration shall be approved at a general meeting of the Company.

3.1.7 Directors' Trainings and Continuing Education

In addition to the Mandatory Accreditation Programme as required by Bursa Securities, the Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes and life-long learning. This will enable Directors to effectively discharge their duties and sustain active participation during Board deliberations.

The Board shall evaluate and determine the training needs of its Directors on an on-going basis, by determining areas that would best strengthen their contribution to the Board.

3.2 Board Role

3.2.1 Duties and Responsibilities

The Board assumes the following duties and responsibilities:-

3.2.1.1 reviewing, adopting and monitoring the implementation of a strategic business plan for the Group;

3.2.1.2 overseeing the conduct of the Group's business to evaluate whether the business is being properly managed. This includes ensuring that there are measures in place against which Management's performance can be assessed;

3.2.1.3 identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;

3.2.1.4 succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing key Management;

3.2.1.5 developing and implementing an investor relations programme or shareholder communications policy for the Group and encouraging the use of information technology for effective dissemination of information;

3.2.1.6 reviewing the adequacy and integrity of the Group's systems of internal control and of management information, including ensuring that sound risk management framework, reporting framework and systems for compliance with applicable laws, regulations, rules, directives and guidelines are in place; and

3.2.1.7 reviewing, adopting and implementing appropriate corporate disclosure policies and procedures.

3.2.2 Discharge of Directors' duties

In discharging his/her duties, each Director must:

- (a) exercise care, skill and diligence;
- (b) act in good faith in the best interests of the Company;
- (c) not improperly use his/her position or misuse information of SRHB; and
- (d) commit the time necessary to discharge effectively his/her role as a Director.

3.2.3 Matters Reserved for the Board

The following matters (including changes to any such matters) require approval from the Board, except where they are expressly delegated by the Board to a Committee, the Chairman, a Chief Executive Officer ("MD / CEO") or another nominated member of the Senior Management team:-

3.2.3.1 approval of corporate/strategic directions/plans and programmes;

3.2.3.2 approval of annual budgets, including major capital commitments and capital expenditure budgets;

3.2.3.3 approval of new major ventures; and

3.2.3.4 approval of material acquisitions and disposals of undertakings and properties or any significant SRHB Group expenditure which exceed the authority limits delegated to the Managing Director and/or Chief Executive Officer or the Group General Manager / Chief Operating Officer.

The Directors have delegated limits of authority to the MD / CEO and Management as specified in the Company's Manual of Limits of Authority;

3.2.3.5 changes to the management and control structure within the Company and its subsidiaries, including key policies, delegated authority limits;

3.2.3.6 appointment of all other Board members, Board Committee members, Chief Executive Officers and the Company Secretaries;

3.2.3.7 appointments of the external auditors and internal auditors;

3.2.3.8 any matters in excess of any discretions that it may have delegated from time to time to the MD / CEO and Senior Management, including in relation to credit transactions, market risk limits and expenditures; and

3.2.3.9 any matters and/or transactions that fall within the ambit of the Board pursuant to the Companies Act, 1965, Listing Requirements of Bursa Securities, Company's Articles of Association, Terms of Reference of the respective Board Committees, Group's Manual of Limits of Authority (such as transactions with value in excess of RM30 million and Long Range Plan) or any other applicable rule.

3.2.4 Chairman and Chief Executive Officer ("MD / CEO")

The Company aims to ensure a balance of power and authority between the Chairman and the MD / CEO with a clear division of responsibility between the running of the Board and the management of the Company's day to day business respectively. The positions of Chairman (i.e. Non-Executive Chairman) and MD / CEO are separated and clearly defined.

3.2.4.1 Chairman

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 the efficient organisation and conduct of the Board's function and meetings;
- to facilitate the effective contribution of all Directors at Board meetings;
- to promote constructive and respectful relations between Directors, and between the Board and Management; and
- to ensure effective communication with shareholders and relevant stakeholders.

3.2.4.2 MD / CEO

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

- to develop and implement corporate strategies for the Group;
- to supervise heads of divisions and departments who are responsible for all functions contributing to the success of the Group;
- to ensure the efficiency and effectiveness of the operation for the Group;
- to assess business opportunities which are of potential benefit to the Group; and
- to bring material and other relevant matters to the attention of the Board in an accurate and timely manner.

3.2.5 Board Committees

To assist the Board in fulfilling its duties and responsibilities, it has established the

following Board Committees with specific terms of reference:

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

Independent and Non-Executive Directors play a leading role in these Committees. The Management and third parties are co-opted to the Committees as and when required. Details of the membership and a summary of the duties and responsibilities of each Committee appointed by the Board are published in the Annual Report. The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings and such reports will be reported to the Board at the Board meeting.

3.3 Meeting of the Board and Supply of Information

3.3.1 The Board shall conduct at least four (4) scheduled meetings a year, with additional meetings convened as and when the Board's approval and guidance is required. Additional meetings are convened on an ad-hoc basis.

3.3.2 Upon consultation with the Chairman and the MD / CEO, due notice shall be given of proposed dates of meetings during the financial year and standard agenda and matters to be tabled to the Board.

3.3.3 All Board of Directors' meetings shall be chaired by a Chairman of the Board. The Chairman has the discretion to call for additional meetings at any time. Where the Chairman is absent, the Directors present shall elect one (1) of their members to be the Chairman of the Meeting. The quorum for each meeting shall be at least two (2) Directors. In the absence of a meeting, issues shall be resolved by way of circular resolutions.

3.3.4 A set of Board Papers (together with a detailed agenda in the case of a meeting) is furnished to the Board members in advance of each Board meeting or in the case of a decision by way of Directors' Circular Resolution, accompanying the proposed resolution, to ensure Directors are well informed and have the opportunity to seek additional information, and are able to obtain further clarification, advice and services from the General Counsel, external auditors and Company Secretary, should such a need arise. Where necessary, the services of other Senior Management or external consultants will be arranged to brief and help the Directors to clear any doubt or concern.

3.3.5 At the meeting, the Board may consider amongst other things:

- report of meetings of all committees of the Board including matters requiring the full Board's deliberation and approval;
- performance reports of the Group, which include information on financial, industry and strategic business issues and updates;
- major operational, financial, technical, legal and regulatory issues;

- technological developments and updates;
- reports on risk management;
- reports on human capital, organisational and talent management; and
- Board Papers on other matters of discussion/approval.

3.3.6 Additionally, the Board is furnished with ad-hoc reports to ensure that it is appraised of key business, financial, operational, corporate, legal, regulatory and industry matters, as and when the need arises.

3.4 Access to Information/Advice

3.4.1 The Board has unrestricted and immediate access to Senior Management and all information on the affairs of the Group. At the request of the Board, Management is obliged to supply in a timely manner, all relevant information relating to the business, operations and governance of the Group, including information concerning customer satisfaction and survey quality, market share and market reaction to enable the Board to discharge its duties effectively.

3.4.2 Members of the Board may collectively or individually seek external or independent professional advice and/or assistance from relevant experts in furtherance of their duties and at the Group's expense.

4. COMPANY SECRETARY

4.1 The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfills the functions for which he/she has been appointed.

4.2 The Company Secretary is accountable to the Board through the Chairman of the Board and Committees on all governance matters.

4.3 The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.

4.4 The Company Secretary must keep abreast of, and inform the Board of, current governance practices.

4.5 The Board members have unlimited access to the professional advice and services of the Company Secretary.

4.6 The removal of the Company Secretary shall be a matter for the consideration of the Board as a whole.

4.7 In performing this duty, the Company Secretary carries out, among others, the following tasks:-

- attending Board meetings and ensuring that the Board meetings are

properly convened and proceedings are properly recorded;

ensuring timely communication of Board level decisions to Senior Management;

ensuring that all appointments to the Board and Committees are properly made;

maintaining records for the purposes of meeting statutory obligations;

ensuring that obligations arising from the MMLR of Bursa Securities or other regulatory requirements are met;

facilitating the provision of information as may be requested by the Directors from time to time; and

supporting the Board in ensuring adherence to Board policies and procedures.

5. INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION

5.1 The Board shall place great importance in promoting effective communication and proactive engagements with the Company's shareholders. The Board shall also ensure high standards of transparency and accountability in its communication with shareholders, as well as with potential investors, analysts and the public. The shareholders shall be informed of all material matters affecting the Company and Group.

5.2 The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.

5.3 The Board ensures that the Company conducts meetings with financial analysts or other investment professionals from time to time (using teleconferencing where appropriate) to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests, subject always to the relevant laws on the disclosure of material price sensitive information.

5.4 The Board views general meetings as an important mechanism in shareholders communication. The Board shall encourage shareholders participation at general meetings by ensuring among others that:-

the Board and/or Senior Management conducts a business presentation with a question and answer session;

reasonable time is provided for discussion of genuine questions at the meeting; and

shareholders are informed of their right to demand a poll vote at the commencement of the meeting.

5.5 A press conference will normally be held after each general meeting. At this press conference, the Chairman or MD / CEO will provide the media with the

opportunity to receive update on the proceedings at the general meeting and to address any queries or areas of interest of the media.

5.6 An online Investor Relations section and online Press Room, the “SRHB Media Centre”, which can be accessed by shareholders and the general public via the Company’s website provides easy access to corporate information pertaining to the Company and its activities which is continuously updated.

6. CODE OF BUSINESS PRACTICE

6.1 The Group’s Code of Business Practice (“the Code”) applies to all Directors and employees of the Group who are required to affirm on a yearly basis their commitment to observe the Code.

6.2 The Code serves as documentation of the Directors’ and employees’ commitment to do business in a manner that is efficient, ethical, effective and fair and is meant as a reference for all Directors and all levels of employees. There is also a separate Code which is made applicable to vendors, dealers as well as other third parties that engaged in business dealings with the Group.

7. APPLICATION

7.1 The principles set out in this Charter are:

a) kept under review and updated as practices on Corporate Governance develop and further guidelines on Corporate Governance are issued by the relevant regulatory authorities from time to time;

b) applied in practice having regard to their spirit and general principles rather than to the letter alone; and

c) summarised in the Annual Report as part of a narrative statement by the Directors on Corporate Governance.

7.2 The Board endeavours to comply at all times with the principles and practices set out in this Charter.

8. REVIEW OF THE BOARD CHARTER

8.1 The Board Charter has been adopted by the Board on 27th May, 2013. Any subsequent amendment to the Charter must be approved by the Board.

8.2 The Board Charter will be periodically reviewed by the Board and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board’s responsibilities.

8.3 The Board Charter is made available for reference in the Company’s website at www.silverridge.com.my