



# **BOARD CHARTER**

*This policy was updated on 13<sup>th</sup> May 2016 and approved for adoption at the Fifty-Fourth Board of Directors' Meeting held on 13<sup>th</sup> May 2016.*



---

---

<b>PART I – THE BOARD OF DIRECTORS</b>
--

- 1 OBJECTIVES
- 2 OVERVIEW OF DIRECTORS' FUNCTIONS
- 3 COMPOSITION OF THE BOARD
- 4 ROLE OF THE BOARD
- 5 APPOINTMENT AND TENURE OF OFFICE
- 6 REMUNERATION FRAMEWORK
- 7 INDUCTION FOR NEW DIRECTOR
- 8 BOARD PROCEDURES
- 9 RIGHTS OF DIRECTORS
- 10 MATTERS RESERVED FOR THE BOARD'S DECISION
- 11 INTERNAL CONTROL AND RISK MANAGEMENT
- 12 TIME COMMITMENT OF DIRECTORS
- 13 DIRECTORS' TRAINING
- 14 BOARD COMMITTEES
- 15 INVESTOR RELATIONS AND SHAREHOLDERS' COMMUNICATION
- 16 COMPANY SECRETARY
- 17 CHANGES TO THE BOARD CHARTER



---

---

**PART II – CODE OF CONDUCT AND ETHICS FOR DIRECTORS**

1. INTRODUCTION
2. PRINCIPLE
3. PURPOSE
4. DEFINITION
5. CODE OF ETHICS FOR DIRECTOR

---

**PART III – CONFLICT OF INTEREST POLICY**

1. DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST

---

**PART IV – CORPORATE DISCLOSURE POLICY**

1. OBJECTIVE
2. IMMEDIATE DISCLOSURE OF MATERIAL INFORMATION
3. MAINTAINING CONFIDENTIALITY OF INFORMATION
4. INSIDER TRADING

---

**PART V – APPENDICES: BOARD COMMITTEES' TERMS OF REFERENCE**

APPENDIX A - TERMS OF REFERENCE OF THE AUDIT COMMITTEE  
*(Revised and Adopted on 13 May 2016)*

APPENDIX B - TERMS OF REFERENCE OF THE NOMINATION COMMITTEE  
*(Revised and Adopted on 13 May 2016)*

APPENDIX C - TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

APPENDIX D - TERMS OF REFERENCE OF THE RISK MANAGEMENT COMMITTEE



---

---

## PART I – THE BOARD OF DIRECTORS

---

---

### 1. OBJECTIVE

The primary purpose of the Board Charter of the Board of Directors (hereinafter referred to as “**the Board**”) of ConnectCounty Holdings Berhad (hereinafter referred to as “**the Company**”) is to outline the structure, responsibilities, rights and procedures of the Board.

The Board Charter is to guide the Directors in discharging their duties and responsibilities as Directors in accordance with the fundamental requirements of provisions in the Companies Act, 1965, Bursa Malaysia Securities Berhad (“**Bursa Securities**”) ACE Market Listing Requirements (“**ACE LR**”), Capital Markets and Services Act 2007, Malaysian Code of Corporate Governance (“**MCCG 2012**”), any other applicable rules or regulations and the Company’s Articles of Association.

### 2. OVERVIEW OF DIRECTORS’ FUNCTIONS

The Board of Directors which is made up of a combination of Executive Directors (who are holding executive functions in the Company) and Non-Executive Directors (who contribute a broader view to the Group’s activities) to take on primary responsibility for leadership of the Company, under a Chairman who accepts the duties and responsibilities that the post entails.

The Board has overall responsibility for the strategic direction and control of the Group. The day-to-day operations of the Group are delegated to the management, who reports to the Group CEO (i.e. currently, the **Executive Deputy Chairman**). The Group CEO would in turn report to the Board directly on issues pertaining to its operations, etc.

### 3. COMPOSITION OF THE BOARD

The Board should have a balance of Executive and Non-Executive Directors such that no individual or a group of individuals can dominate the Board’s decision making. For information on the current members of the Board, please refer to the *Board of Directors’ Profile* section, under “**Board of Directors**” on the Company’s corporate website at: <http://www.connectcounty.org>

There should be a clearly accepted division of responsibilities at the head of the Company in order to ensure a balance of power and authority, such that no one individual has unfettered powers of decision.

The Board shall comprise of at least 2 or 1/3 of Independent Directors, whichever is higher, in line with Bursa Securities’ ACE LR for Independent Directors’ representation on the board of listed companies.

The Non-Executive Directors should be persons of calibre, credibility and have the necessary skill and experience to bring an independent judgment to bear on the issues of



---

strategy, performance and resources including key appointments and standards of conduct.

The Board shall exercise judgment in determining what is the appropriate number of Directors which fairly reflects the investment in the Company by shareholders other than the significant shareholder and to examine its size, with a view to determine the impact of the number upon its effectiveness.

The details of the current members of ConnectCounty Holdings Berhad's Board of Directors are mentioned in the *Corporate Information* section of the Company's official website: <http://www.rapidconn.org/>

### 3.1 **Chairman**

The Chairman is responsible for:

#### 3.1.1 **Leadership**

- a. Ensuring the Board's effectiveness in all aspects of its role and setting of its agenda; and
- b. Leading the Company in its relationships with shareholders, financial institutions and media;

#### 3.1.2 **Meetings**

- a. Chairing Board and General Meetings;
- b. Ensuring relevant and/or significant issues are on the agenda;
- c. Ensuring all Directors, Executive and Non-Executive, are provided with accurate, timely and clear information / report to enable and encourage them to play their role in the Board meeting. This includes making certain that Directors, especially Non-Executives are advised of all likely future developments and trends, provided with relevant information tailored to their needs and they are properly briefed on issues arising at Board meetings to enable the Board to make sound decisions, monitor effectively and to promote the success of the Company;
- d. Ensuring Executive Directors look beyond their executive function and accept their full share of responsibilities of governance;
- e. Encouraging healthy debate on all issues and maintain independency;
- f. Ensuring Board resolution is put to vote should there be any objection to ensure that it is the will of the majority;
- g. Running the Board and ensuring its effectiveness in all aspects of its role, including regularity and frequency of meetings;



- 
- h. Ensuring there is appropriate delegation of authority from the Board to executive management;
  - i. Ensuring all Directors have sufficient time to consider critical issues and obtain answers to any questions or concerns they may have and are not faced with unrealistic deadlines for decision making;
  - j. Upholding the highest standards of integrity and probity;
  - k. Ensuring all the Directors are fully informed about all issues on which the Board will have to make a decision, through briefings with the Chief Financial Officer, the Company Secretary, and members of the executive management as and when required; and
  - l. Ensuring effective implementation of Board policies and decisions.

#### **3.1.3 Relations with shareholders**

- a. Maintaining effective communication that enables the Board to communicate effectively with shareholders;
- b. Interpreting the operations of the Company to the shareholders and accommodate feedback from shareholders; and
- c. Interaction with shareholders and give sufficient opportunity to shareholders to enquire about the Group's activities and performance, and to relate their expectations and concerns. Facilitating questions and answers sessions pertaining to resolution(s) proposed in the Annual General Meeting ("AGM") or during any meeting with shareholders.

#### **3.2 Executive Deputy Chairman (Functionally and Currently acting as the Designated Chief Executive Officer)**

The role and responsibilities of the Executive Deputy Chairman:

- 3.2.1 Developing Group objectives and strategy having regard to the Group's responsibilities to Its shareholders, customer, employees and other stakeholders and ensuring the long term stability of the business and also sustainability of the environment;
- 3.2.2 Manage the Group's business under delegated authority from the Board;
- 3.2.3 Implementing policies and strategies adopted by the Board;
- 3.2.4 Developing and presenting strategic and annual business plans and budget to the Board for approval;
- 3.2.5 Reporting to the Board on the progress of the strategic and annual business plans and budget on a regular basis;



- 
- 3.2.6 Overseeing the day-to-day operations of the Group;
  - 3.2.7 Managing, motivating, developing and leading members of the Management Team;
  - 3.2.8 Managing and allocating resources efficiently and effectively to achieve the Group's objectives;
  - 3.2.9 Chairing Management Team meetings;
  - 3.2.10 Taking a leadership role in establishing or developing the Group's culture and values;
  - 3.2.11 Ensuring that there is synergy between strategy and culture, and the Group's processes and structure;
  - 3.2.12 Ensuring that appropriate internal audit processes and procedures are in place;
  - 3.2.13 Developing and implementing a risk management plan;
  - 3.2.14 Ensuring that there is a succession plan in place; and
  - 3.2.15 Investment and financing:
    - a. Examining all trade investments and major capital expenditure proposed by subsidiaries and the recommendation to the Group's Board of those which, in a Group's context, are material either by nature or cost. Materiality is defined as follows:
      - i. Subsidiary level: not exceeding 10% of the subsidiary's net assets or sum not exceeding RM500,000 whichever is higher; and
      - ii. At holding level: below 5% of the holding company's net assets or a sum below RM1,000,000 whichever is higher.
    - b. Identifying and executing acquisitions and disposals, approving major proposals or bids.

#### **4. ROLE OF THE BOARD**

- 4.1 The principal responsibilities of the Board, amongst others, shall include:
  - a. Reviewing and adopting strategic plans for the Company taking into consideration of factors such as existing and potential rivals of the Company, external environmental factors; its internal characteristics including goals, assets, liabilities and structure;
  - b. Overseeing the conduct of the Company's business to ensure the business is being properly managed;



- 
- c. Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
  - d. Identifying principal risks and ensure the implementation of appropriate systems to manage these risks. The Board or through its committees, sets, where appropriate, objectives, performance targets and policies for the management of the key risks faced by the Company;
  - e. Review risk assessment policy and control;
  - f. Succession planning, including recruiting, training, remunerating and where appropriate, engaging senior management for succession purposes;
  - g. Formulating and implementing an investor relations program or shareholder communications policy for the Company; and
  - h. Ensuring compliance with regulatory and statutory requirements.

4.2 Other Responsibilities of the Board shall include:

- a. Ensuring financial statements for each financial year give a true and fair view of the financial positions and of the statement of comprehensive income of the Company. Ensuring that the Company has used appropriate accounting policies, consistently applied and supported with reasonable and prudent judgment and estimates, and all accounting standards which are applicable to the Company and Group;
- b. Ensuring proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act, 1965;
- c. Approving quarterly financial statements, yearly financial statements and any other reports or circular to shareholders and public announcements;
- d. Reviewing and updating the Board's Charter, the Nomination Committee's Terms of Reference ("**TOR**"), the Remuneration Committee's TOR and TORs of other Board Committees to be set up from time to time;
- e. Reviewing and evaluating the present and future strengths, weaknesses and opportunities for the Company and Group, by comparison with industry players (locally or globally) for improvement and better performance;
- f. Presenting a balanced and understandable assessment of the Company's position and prospects;
- g. Maintaining a sound system of internal control to safeguard shareholders' investment and the Company's assets;





- 
- h. Establishing an Audit Committee with written terms of reference which deal clearly with its authority and duties;
  - i. Establishing an internal audit function to evaluate risks and to regularly review and/or appraise the effectiveness of the system of internal controls within the Company;
  - j. Monitoring management's success in implementing policies and strategies approved by Board;
  - k. Reviewing management reports, budget reports and other reports presented by management at regular intervals as determined by the Board;
  - l. Establishing a human resource policy for the Group;
  - m. Reviewing and approving the corporate objectives, which the Executive Deputy Chairman is responsible for achieving;
  - n. Reviewing the term of office and performance of the Audit Committee and each of its members at least once in every three years; and
  - o. Reviewing and assessing the independence of Independent Directors annually.

## **5. APPOINTMENT AND TENURE OF OFFICE**

- 5.1 In accordance with the Company's Articles of Association, one third of the Directors shall retire from office and be eligible for re-election at each AGM and all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.
- 5.2 The Directors shall have the power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not any time exceed the number fixed in accordance with the Company's Articles of Association. Any Director so appointed shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by the rotation at that meeting.
- 5.3 MCCG 2012 recommended that the tenure of Independent Directors should not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, an Independent Director may continue to serve on the Board subject to the said Director's re-designation as a Non-Independent Director. The Board will, to its best endeavour, comply with the above recommendation.

## **6. REMUNERATION FRAMEWORK**

The remuneration framework of the Board should reflect the Board's responsibilities, expertise and complexity of the Company's operations.



- 
- 6.1 The remuneration framework for the Executive Directors is structured to attract and retain Directors of the right calibre to manage the Group effectively. Its primary purpose is to ensure that executive Directors and employees of the Group are fairly rewarded for their responsibilities, expertise and contributions towards the overall performance of the Group.
  - 6.2 The remuneration framework for the Non-Executive Directors is based on experience, degree of responsibilities, and contributions. Non-Executive Directors is paid Director's fees and meeting allowance. Directors' fees are paid within the limits approved by shareholders.
  - 6.3 The Board as a whole determines the remuneration of the Executive and Non- Executive Directors.
  - 6.4 The individual Director does not participate in decision concerning his/her own remuneration packages.
  - 6.5 The Executive Deputy Chairman's remuneration shall be reviewed by the Board.

## **7. INDUCTION FOR NEW DIRECTOR**

Newly appointed Directors will be accorded induction programs pertaining to all (or key) aspects of the Group's business operations and environment, organisation structure/culture which includes meeting with senior management, and visits to subsidiaries.

## **8. BOARD PROCEDURES**

The Board ordinarily has four (4) scheduled meetings annually, with additional meetings to be held between the scheduled meetings as and when necessary. In facilitating the schedule of the Directors, the Company Secretary will prepare and circulate in advance an annual meeting schedule, which includes all the proposed meeting dates for Board and Board Committee Meetings, as well as the AGM. Upon concurrence by all the Board members, the annual meeting timetable will be adopted for the applicable year. This is also in line with the recommendation of MCCG 2012 where the Board requires its members to devote sufficient time to the workings of the Board, to effectively discharge their duties as Director of the Company, and to endeavour to attend meetings.

## **9. RIGHTS OF DIRECTORS**

- 9.1 All Board members are entitled to have full access, at reasonable times, to the advice and services of the Company Secretary who ensures that Board procedures are adhered to at all times during meetings and advises the Board on matters including corporate governance issues and Directors' responsibilities in complying with relevant legislation and regulations;
- 9.2 All Board members shall have full and unrestricted access to any information pertaining to the Company or Group; and
- 9.3 The Directors may obtain independent professional advices, where necessary, in furtherance of their duties in accordance with prescribed procedures, at the Company's expense, with prior consultation of the Chairman.



---

## **10. MATTERS RESERVED FOR THE BOARD'S DECISION**

The Board shall have a formal schedule of matters specifically reserved to it for decision to ensure that the direction and control of the Company is firmly in its hands. This serves as a safeguard against misjudgements and possible acts deemed ultra vires, and contrary to the Company's or shareholders'. The schedule is updated regularly and shall include the following:

- a. Acquisitions and disposals of businesses of the Company or its subsidiaries;
- b. Acquisition and disposal of assets and / or investment which exceeds 5% of the Company's net asset;
- c. Material capital expenditure and / or investment which exceeds 5% of the Company's net asset;
- d. Determining level of authority;
- e. Determining treasury policies;
- f. Determining risk management policies;
- g. Related Party Transactions;
- h. Material Agreements that are not in the normal course of business;
- i. Funding and Financing;
- j. Approving of quarterly financial results, public announcements, press releases and financial statements;
- k. Adoption of new/change in accounting policy;
- l. Proposal to increase / decrease capital;
- m. Proposal to amend Memorandum and Articles of Association;
- n. Convening of general meetings;
- o. Material litigation that is not in the ordinary course of business;
- p. Appointment and resignation of Director;
- q. Appointment and resignation of Principal Officer of the Company e.g. Company Secretary and Chief Financial Officer;
- r. Circulars to shareholders;



- s. Adopting or amending the Terms of Reference/by-law of the respective Board Committees;
- t. Recommending dividends; and
- u. Recommending Director's fees;

## **11. INTERNAL CONTROL AND RISK MANAGEMENT**

### **11.1 System of Risk Management and Internal Control**

In order to achieve a sound system of risk management and internal control, the Board and Management is committed to adopt a risk management and control framework that is embedded into the culture, processes and structures of the Company and its subsidiaries (the “**Group**”).

The Board of Directors is responsible for the Group's system of risk management and internal control; and reviewing the adequacy and integrity of this system. The system of internal control can only provide reasonable, but not absolute, assurance against any material misstatement or loss as it is designated to manage rather than eliminate the risk of failure to achieve the Group's business objectives.

### **11.2 Internal Audit Function**

The Company has outsourced its internal audit functions to a third party, which will provide support to the Audit Committee in discharging its duties with regard to the adequacy and integrity of the system of internal controls within the Group.

The internal audit function will be carried out by a qualified third party who is independent of management and will report directly to the Audit Committee on matters pertaining to internal audit. The internal audit team assesses risk areas and proposes the audit program and scope to the Audit Committee. The internal audit report is tabled at the Audit Committee meeting, and presented to the Board.

Assurance from the Executive Deputy Chairman and CFO is obtained throughout the year via formal and informal inquiries, discussions and meetings that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects based on the risk management and internal control systems of the Group.

## **12. TIME COMMITMENT OF DIRECTORS**

- 12.1 Directors are expected to devote their time to prepare themselves thoroughly for meetings for effective participation in the meetings and are expected to observe the meeting attendance requirements;
- 12.2 Pursuant to the provision of Article 109 (i) of the Company's Articles of Association, a Director who had been absent for more than 50 percent of the Board meetings held during the financial year shall automatically vacate from office, unless he/she obtains waiver from Bursa within 10 market days of the event; and



- 
- 12.3 A Director who is unable to attend any Board or Board Committee’s meeting shall inform the Chairman or the Company Secretary immediately or give sufficient notice prior to the meeting date.

### **13. DIRECTORS’ TRAINING**

- 13.1 The Board recognises that in order to be kept abreast with the developments of the marketplace, law and regulations and corporate governance, it is imperative to attend relevant training programmes on a continuous basis. All existing Directors would have successfully attended and successfully completed the Mandatory Accreditation Programme (“MAP”) conducted by the relevant authorities. The newly appointed Directors would also have to complete the MAP.
- 13.1 The Directors are encouraged to evaluate their own training needs on a regular basis and to determine the relevant programmes, seminars or dialogues available that would best enable them to enhance their skill and knowledge to meet new challenges and changes within the Company’s business environment.

### **14. BOARD COMMITTEES**

The Board may delegate its responsibilities to the Board Committees and Management. However, the respective Committee’s authority must be specifically spelt out in their terms of reference. Delegation of authority shall not in any way absorb or discharge the duties and responsibilities of the Board of Directors.

There shall be an adequate degree of independence and a process or practice in place to allow the Directors to meet and actively exchange views to enable the Board to assess the direction of the Company and the performance of its Board Committees and Management.

There shall be transparency and full disclosure from the Committees to the Board. Presently the Board of Directors has formed 4 standing committees, which are the Audit, Nomination, Remuneration and Risk Management Committees.

#### **14.1 Audit Committee**

The Audit Committee shall consist of not less than three (3) members, all must be non-executive directors, with a majority of them being Independent Directors.

The Audit Committee reviews issues of accounting policy and presentation for external financial reporting, monitors the work of the internal audit function and ensures an objective and professional relationship is maintained with the external auditors. The Audit Committee has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the Audit Committee. The Audit Committee’s roles and functions are narrated in the attached **Appendix A, “Terms of Reference of the Audit Committee”**.



---

## 14.2 **Nomination Committee**

The Nomination Committee shall comprise exclusively of Non-Executive Directors.

The Nomination Committee is set up to propose new nominees for the Board and to evaluate each individual Director on an on-going basis. The Nomination Committee also seeks to ensure an optimal mix of qualification, skill and experience among the Board members. The Committee's roles and functions are indicated in the attached **Appendix B, "Terms of Reference of the Nomination Committee"**.

## 14.3 **Remuneration Committee**

The Remuneration Committee shall comprise a majority of Independent Non-Executive Directors.

The Remuneration Committee is responsible to recommend to the Board the framework and quantum values for the Executive Directors' as well as senior management's remuneration package, terms of employments, reward structure and perks.

In general, the remuneration is structured so as to link rewards to corporate and individual performance as in the case of the Executive Directors and senior management. As for the Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken individually by the Director concerned. The Committee's roles and functions are indicated in the attached **Appendix C, "Terms of Reference of the Remuneration Committee"**.

## 14.4 **Risk Management Committee**

The Risk Management Committee is made up of Board members, and senior management (on invitation by the Committee, and approved by the Chairman of the Board). The Committee's roles and functions are indicated in the attached **Appendix D, "Terms of Reference of the Risk Management Committee"**.

The Risk Management Committee is responsible to highlight key risks affecting the Group (in particular, risks at Group level) to the Board.

## 15. **INVESTOR RELATIONS AND SHAREHOLDERS' COMMUNICATION**

The Board recognises the importance to have timely and equal dissemination of relevant and sufficient information on the Group's performance and activities via an appropriate channel of communication.

Shareholders, investors and analysts are kept abreast with the major developments of the Group through the various means of communications as follows, but not limited to:-

- (a) Quarterly financial statements and annual report;
- (b) Announcements on major developments and key activities made to Bursa Securities and SC; and
- (c) The Company's general meetings.



---

The Group maintains website at: <http://www.rapidconn.org/>, providing information on the Company and the Group's various core businesses which shareholders, investors and public may access.

## **16. COMPANY SECRETARY**

The Company Secretary shall be a person who is qualified pursuant to Section 139A of the Companies Act, 1965 and competent in carrying his/her duties. The appointment and removal of the Company Secretary shall be decided by the Board of Directors.

The Company Secretary shall ensure statutory records are kept and maintained in a proper manner, and discharge the duties and office of Company Secretary in compliance with the prevailing legislation and regulations and in the best interest of the Company.

The Company Secretary is to provide and assist the Board, Board Committee or Director individually on matters including compliance with the prevailing legislations and regulations concerning the Company and Group as and when reasonably required.

The Company Secretary shall keep him/herself abreast with the development and new changes in relation to any legislation and regulations concerning the corporate administration and to highlight the same to the Board of Directors accordingly.

The Directors shall have unlimited access to the services of the Company Secretary.

## **17. CHANGES TO THE BOARD CHARTER**

The Board Charter shall be reviewed annually or on an ad hoc basis by the Board, and amended and/or updated as and when necessary.

**[The remainder of this page is intentionally left blank]**



---

---

**PART II – CODE OF CONDUCT AND ETHICS FOR DIRECTORS**

---

---

**1. INTRODUCTION**

This Code of Conduct and Ethics is adopted by the Board of Directors to attain best corporate governance practices and compliance with legislation governing Director's duties in discharging their duties to achieve corporate objectives.

It is important to establish a standard of competence for corporate accountability which includes standards of professionalism and trustworthiness in order to uphold good corporate integrity.

This Code of Ethics is in addition to the Board Charter which had been adopted by the Board of Directors.

**2. PRINCIPLE**

The principle of this code is based on principles in relation to duty of care, integrity, responsibility and corporate social responsibility.

**3. PURPOSE**

This Code of Conduct and Ethics is formulated to enhance the standard of corporate governance and corporate behaviour with the intention of achieving the following aims:

- 3.1 To establish a standard of ethical behaviour for Directors based on trustworthiness and values that can be accepted, are held or upheld by Directors.
- 3.2 To uphold the spirit of responsibility in line with the legislation, regulations and guidelines for administrating a company.

**4. DEFINITION**

Director includes both Executive and Non-Executive Directors.

**5. CODE OF CONDUCT AND ETHICS FOR DIRECTORS**

In the performance of his duties, a Director should at all times observe the following codes:

- 5.1 Have a clear understanding of the aims, purposes, capabilities and capacity of the Company;
- 5.2 Keep abreast with the affairs of the Company and be kept informed of the Company's compliance with the relevant rules, legislation and contractual requirements;





- 5.3 Exercise their authority of office for a proper purpose, in good faith, and in the best interest of the Company;
- 5.4 Exercise duty of care and diligence in fulfilling their functions and power of office;
- 5.5 Recognize their primary responsibility is to the Company as a whole but may, where appropriate, have regard for the interest of stakeholders of the Company;
- 5.6 Neither divert for own advantage any business opportunity that the Company is pursuing, nor use confidential information obtained by reason of their office for own benefits or that of others;
- 5.7 Confidential information obtained in the course of their office or duties remains the property of the Company and it is inappropriate to disclose, allow, or render it to be disclosed or leaked, unless that disclosure had been endorsed by the Board of Directors, or the person whom the information is provided, or is required by law;
- 5.8 At all times act with utmost good faith towards the Company in any transaction and to act honestly and responsibly in the exercise of their powers in carrying out their duties;
- 5.9 Disclose immediately all contractual interests whether directly or indirectly with the Company;
- 5.10 Be willing to exercise independent judgment and actions, if necessary to openly object should the vital interest of the Company be at stake;
- 5.11 Take all reasonable steps to satisfy the soundness of all decisions taken by the Board;
- 5.12 Not to take improper advantage or misuse of the position of Director;
- 5.13 Not to engage in conduct likely to bring discredit upon the Company;
- 5.14 At all times nurture professionalism, and improve the competency and effectiveness of management and employees;
- 5.15 Cultivate good relationship with, and be conscious of the interest of shareholders, employees, customers, financier, creditors and other key stakeholders;
- 5.16 Ensure adequate safety measures and provide proper protection and coverage to employees of all divisions;
- 5.17 Promote and cultivate social and environmental responsibilities and encourage effective use of natural resources;
- 5.18 Devote time and effort to attend meetings and to know what is required of the board and each of its Directors, and to discharge those functions;



- 5.19 Always comply with the spirit, as well as, the principle of the Code;
- 5.20 Have access to the advice and services of the company secretary, who is responsible to the Board to ensure proper procedures, rules and regulations are complied with; and
- 5.21 A Director may, in exercising his/her duties, rely on information, professional or expert advice, opinions, reports or statements including financial statements and other financial data, prepared, presented or made by:
- a. any officer of the Company; or consultant/expert retained by the Company;
  - b. another Director in relation to matters within the Director's authority; or
  - c. any Committee to the Board of Directors on which the Director did not serve in relation to matters within the Committee's authority.

The reliance should be made in good faith, and after making an independent assessment of the information or advice, opinions, reports or statements, including the financial statements and other financial data, having taken into account the Director's knowledge of the Company's business operations and environment.

**[The remainder of this page is intentionally left blank]**



---

---

**PART III – CONFLICT OF INTEREST POLICY**

---

---

**DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST**

Pursuant to Section 131 of the Companies Act, 1965 (“**the Act**”), it is the duty of every Director to disclose potential conflict of interest on the following matters:

1. They have direct or indirect interest in a contract or proposed contract with the Company [*Section 131 (1) of the Act*]; or
2. They hold any office or possesses any property which may directly or indirectly conflict with their duties or interests as Director [*Section 131 (5) of the Act*].

Any possible conflict of interest on the part of any Board member should be disclosed to other Board members and an official letter shall be given, in due course or within a reasonable period, to the Company Secretary for tabling to the Board members [*Section 131 (4) of the Act*].

Any Board member having a possible conflict of interest on any matter should not vote or use his/her personal influence on the matter, and to abstain from discussion on the matter but he shall be counted for quorum purposes (provided none of the other Directors present disagree) (*Reference: Section 130 of the Act*). The minutes of the meeting should reflect that a disclosure was made, the abstention from voting, and the quorum situation.

The foregoing requirements should not be construed as preventing the Board member from briefly stating his/her position in the matter, nor from answering pertinent questions raised by other Board members since his/her knowledge may be of assistance.

The Company Secretary must record every declaration so made in the minutes of the Board meeting [*Section 131 (7) of the Act*].

**[The remainder of this page is intentionally left blank]**



---

---

**PART IV – CORPORATE DISCLOSURE POLICY**

---

---

**1. OBJECTIVE**

To establish a disclosure regime in promoting transparency and to attain best corporate governance practices and maintain shareholders and investors' confidence. The emphasis is to ensure that any required disclosure released by the Company is informative, timely and evenly disseminated and in compliance with the disclosure requirements of Bursa Securities ACE Market Listing Requirements ("the ACE LR").

In order to manage the accountability of sensitive, privy, confidential and/or material information, the following procedures are to be observed:

**2. IMMEDIATE DISCLOSURE OF MATERIAL INFORMATION**

**2.1 Materiality of Transaction**

Materiality of transaction is to be interpreted within the material tests and the type of transaction under Chapter 10 of the ACE LR;

**2.2 Prescribed Event**

Rule 9.19 of the ACE LR specifies prescribed events that require immediate announcement to be submitted upon its occurrence;

**2.3 General Matters**

General matter that does not fall onto the prescribed event: a materiality assessment pursuant to Rule 9.03 (2) of the LR is to be applied to determine the disclosure requirement.

An information is considered to be material if it is reasonably expected to have a material effect on the:

- (a) Price, value or market activity of any of its securities; or
- (b) Investor's decision in determining his/her choice of action.

**2.4 Contents of Disclosure / Announcement**

**2.4.1 Accuracy and completeness of information**

Contents of disclosure or announcement must be accurate and complete, easy to understand and presented in a "balanced" manner (*"balanced" includes both positive and negative information*). Rule 9.16 (1) of the ACE LR prescribes the following:

- (a) Be factual, unambiguous, accurate, succinct, and contains sufficient information to enable informed investment decisions;
- (b) Not be false, misleading, deceptive and must not contain language which is inflammatory, defamatory or scandalous; and
- (c) Be in language comprehensible to the layman.



#### 2.4.2 Adequacy of information

Consideration shall also be given to the “adequacy” of the disclosure in order to provide meaningful information, for example when making disclosure on a material “transaction”: To provide a basis based on industrial comparability, Price Earnings (PE) ratio or Price to Book (PB) ratio rather than providing a general statement, i.e. “willing buyer-willing seller basis”.

#### 2.5 Timeliness of Disclosure

Material information must be announced immediately to prevent any leakage. The Company should not subject itself to a position where it is bound by confidentiality that may defeat its obligations on disclosure of material information on immediate basis under the ACE LR.

Below are some sample of events with its required timeliness for disclosure:

Events	Timing of Announcement
Borrowing of funds	Upon acceptance of terms including execution of Letter of Offer / Loan documents, whichever is earlier
Commencement of litigation	Upon receipt of summons / statements of claim
Proposed issuance of new securities	Upon Board approval
Default in payment	Upon occurrence of default
Acquisition or disposal	Upon the terms of acquisition being agreed or upon signing of Letter of Offer / Sale and Purchase Agreement, whichever is earlier
Rejection of Proposal at General Meeting	Immediately, even during trading hours and not at the end of the day
Decision by authorities on corporate proposal	Upon receipt of the decision

### 3. MAINTAINING CONFIDENTIALITY OF INFORMATION

In order to minimise possible leakage of confidential information, the following measures must be adhered to:

#### 3.1 Documents Management

- (a) Use of codenames in correspondences and documents to protect identities of parties involved;
- (b) Ensure physical copies of documents are securely stored in locked cabinets with access restricted to authorized personnel only; and
- (c) Remind authorised personnel regularly not to read confidential documents or have open discussions in public places.



---

### 3.2 Secured IT System

- (a) Use private facsimile lines, dedicated printers and email accounts;
- (b) Keep confidential information on protected/secured drives (with back-up facilities) and restricted access through password and blocking mechanism; and
- (c) Install password protection mechanism for electronic equipment such as laptops and other storage media containing confidential information, and activating automatic locking system on these equipment after a stipulated period.

### 3.3 Equal Access to Material Information

- (a) Avoid disclosing non-public material information, especially when dealing with external parties e.g. journalist, fund managers, analyst and etc.
- (b) Avoid providing forecast or projections of revenue, earnings or other profit indicators prior to public disclosure.

### 3.4 Leakage of Material Information

In the event of any leakage(s) of material information which has been inadvertently disclosed, the Company is to take remedial action by immediately announcing the same to Bursa Securities (*reference: Rule 9.06 (3) of ACE LR*)

### 3.5 Create a Backup Copy for Important Documents

A backup copy (or copies) should be created by any practical means necessary and should be secured and accessible should the situation calls for it. All matters pertaining to the copy such as custodianship, authorization and security should be determined by the Board.

### 3.7 Request for “Confidentiality Undertaking”

In the course of any corporate proposal, the Company is to request from the engaged external consultant(s), adviser(s) and other professional firms to provide an undertaking on maintaining the confidentiality of all material information in relation to the corporate proposal.

### 3.8 Restricted Dissemination of Information

In order to contain confidential information and for greater accountability in the event of leakage, such confidential information is limited to personnel involved in the corporate proposal on a “need-to-know” basis.

**[The remainder of this page is intentionally left blank]**



In addition, the following personnel are appointed for the stated duties:

<b>Assignment</b>	<b>Personnel</b>	<b>Duties</b>
Spoke Person	Chairman/Deputy Executive Chairman/Executive Director	Is authorised to speak on behalf of the Company with external parties at external meeting e.g. interview, briefings, etc.
Designated Person	Company Secretary	<ul style="list-style-type: none"><li>• To ensure no disclosure of any material information prior to public disclosure of the material information to Bursa Malaysia in accordance with ACE LR;</li><li>• To coordinate and review information to be disclosed to ensure compliance with the ACE LR and applicable securities laws (if any), and ensures that the relevant person such as the Board, Chief Executive Officer or Chief Financial Officer verify such information;</li><li>• To ensure that the relevant authorisation from the Board or Executive Deputy Chairman is obtained for information to be disclosed;</li><li>• To ensure that the information is disclosed timely;</li><li>• To oversee and maintain accurate records of all public disclosures of material information; and</li><li>• To keep updated with any pending material development concerning the Company.</li></ul>

## 2. INSIDER TRADING

Officer(s) of the Company and external consultants engaged by the Company are to be reminded not to abuse their position or make use of price sensitive information obtained in the course of their work for personal or outsiders' benefits. Section 188 (4) of the Capital Markets and Services Act, 2007 ("CMSA") imposes a minimum fine and/or imprisonment, if convicted, and Section 201 empowers the Securities Commission and injured party to seek civil remedies against the contravener.



---

## **PART V – APPENDICES**

---

### **BOARD COMMITTEES' TERMS OF REFERENCE**





---

---

**APPENDIX A – TERMS OF REFERENCE OF THE AUDIT COMMITTEE**

---

---

**1. DATE ESTABLISHED**

The Audit Committee was established on 26 November 2005.

**2. OBJECTIVES**

The principal objectives of the Audit Committee (the “**Committee**”) are to assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiaries. In addition, the Committee shall:-

- (a) evaluate the quality of the audits performed by the internal and external auditors;
- (b) provide assurance that the financial information presented by management is relevant, reliable and timely;
- (c) oversee compliance with laws and regulations and observance of a proper code of conduct;
- (d) determine the quality, adequacy and effectiveness of the Company's control environment; and
- (e) Ensure financial statements comply with applicable financial report standards.

**3. COMPOSITION**

The Committee shall be appointed from amongst the Board and shall comprise no fewer than three (3) members, all of whom shall be non-executive directors, with a majority of whom shall be independent directors.

All members of the Committee should be financially literate and at least one (1) member of the Committee must be:-

- (a) a member of the Malaysian Institute of Accountant (“**MIA**”); or
- (b) if he is not a member of MIA, he must have at least three (3) years of working experience and:
  - i. he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
  - ii. he must be a member of one (1) of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- (c) fulfils such other requirements as prescribed by the Exchange.

No alternate director shall be appointed as a member of the Committee.



---

The term of office and performance of the Committee and each of its members shall be reviewed by the Nomination Committee annually to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

#### **4. CHAIRMAN**

The members of the Committee shall elect a Chairman from amongst their number who shall be an independent director.

In the absence of the Chairman of the Committee, the other members of the Audit Committee shall amongst themselves elect a Chairman who must be an independent director to chair the meeting.

#### **5. RETIREMENT AND RESIGNATION**

If any member of the Committee retires, re-designates, resigns, dies, or for any reason ceases to be a member or Chairman resulting in non-compliance with paragraphs 2 and 3 above, the Board and the members of the Committee shall within three (3) months of the event appoint/elect such new member(s) or Chairman as may be required to fill the vacancy.

#### **6. SECRETARIES**

The Company Secretaries shall be the Secretaries of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

#### **7. MEETINGS**

The Committee shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.

Upon the request of the external auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matter the external auditors believe should be brought to the attention of the directors or shareholders.

Notice of Committee meetings shall be given to all the Committee members unless the Committee waives such requirement.

The Committee members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

The Chairman of the Committee shall engage on a continuous basis with the Chairman of the Board, senior management, such as the Chief Executive Officer and the Chief Financial Officer, the internal auditors and the external auditors in order to be kept informed of matters affecting the Company.

The Chief Financial Officer and a representative of the internal and external auditors respectively should normally attend meetings. Other Board members and employees may



---

attend meetings upon the invitation of the Committee. The Committee shall be able to convene meetings with the external auditors, the internal auditors or both, without executive Board members or employees present whenever deemed necessary and at least twice a year with the external auditors.

Questions arising at any meeting of the Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Committee shall have a second or casting vote.

## **8. MINUTES**

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Audit Committee and also to the other members of the Board. The Committee Chairman shall report on the proceeding of each meeting to the Board.

The minutes of the Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

The Audit Committee members may inspect the minutes of the Audit Committee at the Registered Office or such other place as may be determined by the Audit Committee.

## **9. QUORUM**

The quorum for the Committee meeting shall be the majority of members present whom must be independent directors.

## **10. CIRCULAR RESOLUTION**

A resolution in writing signed by a majority of the Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more Committee members. Any such document may be accepted as sufficiently signed by an Committee member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of a Committee member.

## **11. REPORTING**

The Committee shall report to the Board of Directors, either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at least once a year, but more frequently if it so wishes.

The Committee shall report to the Board of Directors on any specific matters referred to it by the Board for investigation and report.



---

## 12. AUTHORITY

The Committee shall, in accordance with a procedure to be determined by the Board of Directors and at the expense of the Company,

- (a) have explicit authority to investigate any activity within its terms of reference, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the Committee;
- (b) have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management of the Company and Group;
- (c) obtain, at the expense of the Company, other independent professional advice or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary;
- (d) have direct communication channels with the internal and external auditors and person(s) carrying out the internal audit function or activity (if any); and
- (e) where the Audit Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), the Committee shall promptly report such matter to Bursa Securities.

## 13. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee are as follows:-

- (a) To consider the appointment and/or re-appointment of the internal auditors and external auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person(s) as auditors;
- (b) To establish policies governing the circumstances under which contracts for the provision of non-audit services can be entered into and procedures that must be followed by the external auditors;
- (c) To discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one (1) audit firm is involved;
- (d) To review with the external auditors on:-
  - the audit plan, its scope and nature;
  - the audit report;
  - the results of their valuation of the accounting policies and systems of internal accounting controls within the Group; and



- 
- the assistance given by the officers of the Company to external auditors, including any difficulties or disputes with Management encountered during the audit;
- (e) To review the quarterly reports on consolidated results and year-end financial statements of the Company before submission to the Board, focusing particularly on:-
- changes in or implementation of major accounting policy changes;
  - significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed;
  - compliance with applicable accounting standards and other legal requirements;
  - significant adjustments arising from the audit;
  - the going concern assumption; and
  - major judgement areas.
- (f) To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management, where necessary);
- (g) To review with Management:-
- audit reports and management letter issued by the external auditors and the implementation of audit recommendations;
  - interim financial information; and
  - the assistance given by the officers of the Company to external auditors;
- (h) To do the following, in relation to the internal audit function:-
- review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
  - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
  - review the internal audit plan, consider the internal audit reports and findings of the internal auditors, fraud investigations and actions and steps taken by Management in response to audit findings;
  - review any appraisal or assessment of the performance of members of the internal audit function;



- 
- approve any appointment or termination of senior staff members of the internal audit function; and
  - take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reason for resigning;
- (i) To consider any related party transaction entered into by the Company or the Group and to determine if such transactions are undertaken on an arm's length basis and normal commercial terms and on terms not more favourable to the related parties than those generally available to the public, and to ensure that the Directors report such transaction annually to shareholders via the annual report, and to review conflicts of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of Management integrity;
  - (j) To report its findings on the financial and management performance, and other material matters to the Board;
  - (k) To consider the major findings of internal investigations and management's response;
  - (l) To verify the allocation of employees' share option scheme ("ESOS") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any, at the end of the financial year;
  - (m) To monitor the integrity of the Company's financial statements;
  - (n) To review the independence and qualification of the Company's external auditors;
  - (o) To monitor the performance of the Company's internal audit function;
  - (p) To monitor the Company's compliance with relevant laws, regulations and code of conduct;
  - (q) To review the adequacy and effectiveness of risk management, internal control and governance systems;
  - (r) To consider and examine such other matters as the Audit Committee considers appropriate; and
  - (s) To consider other matters as defined by the Board.

#### **14. ELECTED MEMBERS**

For information on the current members of the Audit Committee, please refer to the *Corporate Information* section, under "**Investor Relations**" on the Company's corporate website at: <http://www.connectcounty.org>



---

---

**APPENDIX B – TERMS OF REFERENCE OF THE NOMINATION COMMITTEE**

---

---

**1. DATE ESTABLISHED**

The Nomination Committee was established on 23 February 2006.

**2. OBJECTIVES**

The principal objectives of the Nomination Committee (the “**Committee**”) are to assist the Board of Directors in their responsibilities in nominating new nominees to the Board of Directors and to assess the performance of the Board, the Committees of the Board and the Directors of the Company on an on-going basis.

**3. COMPOSITION OF NOMINATION COMMITTEE**

The Board of Directors shall elect the Committee members from amongst themselves and it must be composed of no fewer than two (2) members consisting wholly of non-executive directors, a majority of whom are independent.

The term of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every three (3) years to determine whether its members have carried out their duties in accordance with their terms of reference.

No alternate director shall be appointed as a member of the Committee.

***Retirement and Resignation***

In the event of any vacancy with the result that the number of members is reduced to below two (2), the vacancy shall be filled within three (3) months thereof. Therefore, a member of the Committee who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he leaves.

**4. CHAIRMAN**

The Chairman of the Committee shall be elected from amongst the Committee members whom shall be the Senior Independent Non-Executive Director identified by the Board of Directors.

In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the Committee meeting.

**5. SECRETARY**

The Secretary of the Committee shall be the Company Secretary of the Company and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.



---

## **6. MEETINGS**

The Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.

The Secretary shall on the requisition of the members of the Committee summon a meeting of the Committee and except in the case of an emergency, reasonable notice of every Committee meeting shall be given in writing.

Other Board members and/or employees may attend the Committee meeting upon invitation of the Committee.

## **7. MINUTES**

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Committee and also to the other members of the Board. The Committee Chairman shall report on the proceeding of each meeting to the Board.

The minutes of the Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

The Committee members may inspect the minutes of the Committee at the Registered Office or such other place as may be determined by the Committee.

## **8. QUORUM**

A quorum shall consist of two (2) members.

## **9. CIRCULAR RESOLUTION**

A resolution in writing signed by a majority of the Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted.

Any such resolution may consist of several documents in like form each signed by one (1) or more Committee members. Any such document may be accepted as sufficiently signed by a Committee member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of a Committee member.

## **10. REPORTING**

The Committee shall report to the Board of Directors, either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at least once a year, but more frequently if it so wishes.

The Committee shall report to the Board of Directors on any specific matters referred to it by the Board.





---

The Company Secretary shall circulate the minutes of the Committee to all members of the Board.

## **11. AUTHORITY**

The Committee, in accordance with a procedure or process to be determined by the Board of Directors and at the expense of the Company,

- (a) shall annually review the required mix of skills and experience and other qualities, including core competencies which non-executive and executive directors should have.
- (b) shall assess on an annual basis, the effectiveness of the Board as a whole, the committees of the Board and for assessing the contribution of each individual Director.
- (c) shall be entitled to the services of a company secretary who must ensure that all appointments are properly made, that all necessary information is obtained from Directors, both for the company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") or other regulatory requirements.

## **12. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Committee are as follows:-

- To assess and recommend to the Board of Directors, candidates for all directorships to be filled by the Shareholders or the Board of Directors. In making its recommendations, the Committee should consider the candidates' :-
  - (a) technical competency, skills, knowledge, expertise and experience;
  - (b) strong sense of professionalism;
  - (c) integrity;
  - (d) other commitments and time available to contribute inputs to the Board; and
  - (e) in the case of candidates for the position of independent non-executive Directors, the Committee should evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors.
- To consider, in making its recommendations, candidates for directorships proposed by the Executive Chairperson and, within the bounds of practicability, by any other senior executive or any Director or Shareholder.
- To recommend to the Board of Directors the nominees to fill the seats on Board Committees.
- To review Board and Senior Management succession plans.
- To review the training needs/training programmes for the Board and facilitate Board induction and training programmes.



- 
- To review annually, the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and members have carried out their duties in accordance with the terms of reference of the Audit Committee.
  - To implement annual assessment on the effectiveness and performance of the Board of Directors as a whole, the committees of the Board, as well as the contribution/performance of each individual director, including non-executive directors and executive director(s). All assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented.
  - To examine the size of the Board with a view to determining the impact of the number upon its effectiveness.
  - To review the required mix of skills and experience and other qualities including core competencies which non-executive directors should bring to the Board.
  - To develop the criteria to assess independence and to assess on an annual basis, the independence of the Independent Non-Executive Directors and recommend the same to the Board.
  - To recommend the retention of its Independent Non-Executive Directors whose terms have exceeded nine (9) years' tenure for continuance in the office.
  - To recommend the re-election of Directors who retired by rotation pursuant to the Company's Articles of Association and re-appointment of Directors who retired pursuant to Section 129(6) of the Companies Act, 1965.
  - To establish time commitment expectations/protocol for the members of the Board.
  - To review the attendance of the Directors at Board and/or Board Committee(s) Meetings.
  - To establish a policy formalising its approach to boardroom diversity.
  - To act in line with the directions of the Board of Directors.
  - To consider and examine such other matters as the Committee considers appropriate.

### **13. ELECTED MEMBERS**

For information on the current members of the Nomination Committee, please refer to the *Corporate Information* section, under “**Investor Relations**” on the Company's corporate website at: <http://www.connectcounty.org/>



---

---

**APPENDIX C – TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE**

---

---

**1. CONSTITUTION**

The Remuneration Committee was established on 23 February 2006.

**2. FUNCTIONS**

The Remuneration Committee (the “**Committee**”) is established to:

- (i) Develop and formulate a transparent policy on the remuneration of Directors, and to set the remuneration package of the individual Director;
- (ii) Adopt a formal and transparent procedure for determining the remuneration package of the Director, which is to be based on objective considerations of the merits and values of the Director’s contribution to the Company;
- (iii) Ensure that the Executive Director’s remuneration, benefits and rewards are linked to corporate and individual performance;
- (iv) Ensure that the remuneration package is sufficient to attract and retain the Directors needed to manage the Company successfully; and
- (v) Review the remuneration packages from time to time to gauge its competitiveness and attractiveness, and to make recommendations if and when necessary.

The Committee shall also perform such other functions assigned by the Board of Directors.

**3. CHAIRMAN**

The Chairman of the Committee shall be elected amongst the members of the Committee and shall be an Independent Non-Executive Director. The Chairman shall chair all meetings of the Committee other than matters concerning him/herself.

**4. MEETINGS**

The Committee shall meet at least one (1) time a year and such meetings as the Chairman shall decide in order to fulfil its duties. A quorum shall consist of a majority of Committee members, and the majority present must be Independent Directors.

Member of committee may participate in a meeting by means of conference telephone, conference videotape or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.



---

## 5. DIRECTOR'S REMUNERATION POLICY

There is no set quantum in terms of director fees/allowances for Non-Executive or Executive Directors. At present, the monthly fees of the current Board members are as follows:

- (i) Non-Executive Directors:
  - (a) Chairman of the Audit Committee – RM 3,000
  - (b) Other Directors – RM 2,000
- (ii) Executive Directors (not mentioned in the Annual Report):
  - (a) Executive Deputy Chairman – RM 1,000

## 14. ELECTED MEMBERS

For information on the current members of the Remuneration Committee, please refer to the *Corporate Information* section, under “**Investor Relations**” on the Company’s corporate website at: <http://www.connectcounty.org/>

**[The remainder of this page is intentionally left blank]**



---

---

**APPENDIX D – TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE**

---

---

**1. CONSTITUTION**

The Risk Management Committee was established on 17 April 2012.

**2. OBJECTIVE**

The principal objective of the Risk Management Committee (the “**Committee**”) is to assist the Board of Directors in their responsibilities to identify, assess and monitor key business risks to pre-empt and/or mitigate adverse impacts on achieving strategic objectives with a view to safeguard shareholders’ investments and the Company’s assets.

**3. COMPOSITION**

The members of the Committee shall comprise at least three (3) Board members appointed by the Board. The Chairman of the Committee is elected by the Chairman of the Board, and shall chair all meetings, if present. In the absence of the Chairman, the Committee shall appoint one of their number to chair the meeting (not being the Chairman of the Audit Committee). At the discretion of the Chairman, the Committee may:

- (i) Invite a non-member of the Board (a member of senior management of the Company, i.e. the Chief Financial Officer, who is directly responsible and accountable for the financial risk management activities of the Company) to sit on the Committee; and
- (ii) Require other persons (including without limitation any executives or advisers of the Company) to attend all or part of any meeting.

**4. QUORUM AND MEETINGS**

Meetings shall be held not less than twice a year. Unless otherwise agreed, notice of every meeting, confirming the venue, date and time together with an agenda of items and supporting papers to be discussed shall be forwarded to each Committee member and all persons required to attend no later than 3 working days prior to the date of the meeting.

The quorum shall be two (2) members of the Committee.

**5. TASK / RESPONSIBILITIES / AUTHORITY**

- (i) investigate any activity within its scope of responsibilities, which covers the Company and its subsidiaries (the “**Group**”);
- (ii) seek any information that it requires from any Director, officer and employee of the Group and all such individuals are directed to cooperate with any requests made by the Committee;



- 
- (iii) obtain external legal or independent professional advice, with relevant experience and expertise as it considers necessary, at the Company's expense; and
  - (iv) give direction/guidance to Management and/or responsible parties as to the implementation on the risk management framework/system and the approach that is to be taken.

## **6. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Committee shall be:

- (i) to identify risks relevant to the Group's internal and external environments with respect to its business operations and strategic objectives, and recommend to the Board the Group's policy for risk management;
- (ii) to review the processes and procedures for ensuring that all material business risks are properly identified and that the appropriate systems of monitoring and control are in place, while considering all material breaches of the agreed risk limits, if any, and review the actions taken in response;
- (iii) to monitor and review the Group's internal controls and risk management systems, and make recommendations where necessary – to ensure that the systems are relevant, up-to-date and effective, which will take into account any changes to the Group's business environment, operations and business strategies/objectives; and
- (iv) to evaluate the effects on the risks (if any) of the Group as a result of the findings of the internal auditor and/or any independent review carried out for the Audit Committee.

## **7. REPORTING**

- (i) The Chairman or a member of the Committee appointed by the Chairman, shall report all material issues arising during the Board meeting.
- (ii) The Risk Committee shall annually (or on an ad-hoc basis) review its terms of reference and its own effectiveness, and recommend any necessary changes to the Board.
- (iii) The Risk Committee shall make recommendations to the Board if and when necessary, and shall be responsible for reviewing and agreeing all relevant sections in the Company's Annual Report and Accounts concerning risks and risk management

## **8. ELECTED MEMBERS**

For information on the current members of the Risk Management Committee, please refer to the *Corporate Information* section, under “**Investor Relations**” on the Company's corporate website at: <http://www.connectcounty.org/>