



BOARD CHARTER AND TERMS OF REFERENCE

No.	Heading	Details
1.	Introduction	<p>This policy document contains the board charter and terms of reference for CTOS Digital Bhd ("Company"). It is intended to outline the respective roles, responsibilities and authority of the Company's Board of Directors ("Board").</p> <p>The Board is subject to the provisions of the Credit Reporting Agencies Act 2010 ("CRA 2010"), the Companies Act 2016 ("CA 2016"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), the constitution of the Company, the Malaysian Code on Corporate Governance 2017 ("MCCG"), the Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries of the Securities Commission Malaysia and all other applicable laws and/or regulatory requirements.</p>
2.	Objectives	<p>The objective of this document is to ensure that there is a formal and transparent procedure to assist the Board in overseeing the day-to-day affairs of the business and operations of the Company.</p> <p>The Board must ensure, among others, that:</p> <ul style="list-style-type: none"> (i) The Company meets the appropriate interests of its shareholders and stakeholders, addresses the challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics; (ii) The Directors are aware of their roles and duties and also serve as a clear source of reference to all stakeholders; (iii) They act in accordance with the objects as defined in the Company's constitution, consistent with existing laws, rules and regulations (including but not limited to the CRA 2010) and that they are not in any position(s) of conflict.
3.	Role of the Board	<p>The Board is primarily responsible for the effective governance and management of the Company; it also serves a fiduciary responsibility for the Company's financial and organisational health. The Board is collectively responsible to ensure that sustainable value is delivered to its stakeholders.</p> <p>Effective board leadership and oversight also require the integration of sustainability considerations in corporate strategy, governance and decision-making, as sustainability and its underlying environmental, social as well as governance (ESG) issues become increasingly material to the ability of companies to create durable and sustainable value and maintain confidence of their stakeholders. For companies to be resilient, boards need to take a much more holistic view of the business coupled with proactive</p>

No.	Heading	Details
		<p>and effective measures to anticipate and address material ESG risks and opportunities. The Board will establish sub-committees and delegate specific responsibilities as deemed appropriate to assist in the carrying out of its duties. The responsibilities of these sub-committees will be set forth in their respective terms of reference and may be subject to amendments from time to time.</p> <p>The Board shall, at a minimum, establish and monitor the functions of the following sub-committees:</p> <ul style="list-style-type: none"> (a) Audit and Risk Committee; (b) Nomination and Remuneration Committee; and (c) Board Investment Committee. <p>(Collectively to be known as “Board Committees” and individually as “Board Committee”)</p>
4.	Responsibilities of the Board	<p>The principal responsibilities of the Board are as follows:</p> <ul style="list-style-type: none"> 4.1 Set corporate values and promote good corporate governance culture within the Company, which reinforces ethical, prudent and professional behavior to ensure its obligations to shareholders and stakeholders are met; 4.2 Consider, vet, challenge, review and approve Management [refers to C-level Team (being GCEO, Deputy GCEO, CEO, CFO, COO and any other personnel designated “Chief”) and Senior Leadership Team (includes the Senior General Managers, General Managers and Heads of Departments)]’s proposals for the Company on matters including but not limited to the overall corporate strategy, business plan, annual budgets and regulatory plan, and monitor its implementation by Management; 4.3 Together with management takes responsibility for the governance of sustainability in the company including setting the company’s sustainability strategies, priorities and targets. The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management. Strategic management of material sustainability matters should be driven by senior management; 4.4 Ensure that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders;

No.	Heading	Details
		<p>4.5 Take appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities. Perform performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities;</p> <p>4.6 Evaluate, modify (if deemed necessary) and approve modifications to the approved business plans and annual budgets (including capital expenditure budget) based on a fair evaluation and robust discussion of the underlying assumptions;</p> <p>4.7 Support the Management on key stakeholder engagements related to initiatives critical to the success of the business, including but not limited to meeting facilitation with key clients, data providers, industry associations/representative bodies, as well as relevant Government agencies and/or regulators;</p> <p>4.8 Formulate, review, approve and ensure compliance of all major Company policies;</p> <p>4.9 Ensure that all members of the Board and the Management have the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board members and the C-level Team. The necessary skills and experience include:</p> <ul style="list-style-type: none"> (i) Cybersecurity; (ii) Environment, social and governance (“ESG”) aspects; and (iii) Regulatory compliance. <p>4.10 Oversee the conduct of the Company’s business to evaluate, supervise and assess Management performance, including:</p> <ul style="list-style-type: none"> (i) Whether the business is being properly managed; (ii) To evaluate and approve the selection and terms of reference of Management; (iii) To define and approve Key Performance Indicators (“KPIs”) for Management performance measurement and evaluate their achievement against the agreed KPIs; (iv) To evaluate and approve Management compensation;

No.	Heading	Details
		<p>4.11 Identify principal business risks faced by the Company and ensure the implementation of an appropriate internal controls and risk management framework to mitigate and address such risks;</p> <p>4.12 Set the risk appetite within which the Board expects Management to operate, and ensure that there is an appropriate risk management framework and internal controls to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;</p> <p>4.13 Establish the appropriate Board sub-committees where required, and be responsible for all decisions made by the sub-committees;</p> <p>4.14 Review the adequacy and integrity of the Company's financial and non-financial reporting, internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines at least on a quarterly basis;</p> <p>4.15 Deliberate on proposals presented and recommended, including those proposed by the Board's sub-committees at least on a quarterly basis;</p> <p>4.16 Ensure that the Company has in place procedures to enable effective communication with its shareholders and stakeholders;</p> <p>4.17 Review and approve the Financial Statements encompassing annual audited accounts, dividend policy, credit facilities from financial institutions and guarantees;</p> <p>4.18 Approve the appointment of all external advisers and their related advisory fees subject to the approved Authorised Limits; and</p> <p>4.19 Objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. All directors must act with integrity, lead by example, keep abreast of his responsibilities as a director and of the conduct, business activities and development of the Company.</p>
5.	Role and Responsibilities of the Chairman	<p>The Board's Chairman shall preside over Board meetings and is responsible for the adoption and implementation of good corporate governance practices, leadership and effectiveness of the Board in the running of the company.</p> <p>The Chairman of the board should not be a member of the Audit and Risk Committee, Nomination and Remuneration Committee.</p>

No.	Heading	Details
		<p>The duties of the Chairman include the following:</p> <p>5.1 Providing leadership for the Board so that its members can perform its responsibilities effectively, this includes taking a leading role in establishing effective corporate governance system and practices;</p> <p>5.2 Setting the board agenda for each board meeting, with the assistance of the Company Secretary and the Group Chief Executive Officer (“Group CEO”);</p> <p>5.3 Ensuring the provision of accurate, complete and timely information to the members of the Board to facilitate decision-making;</p> <p>5.4 Promoting constructive and respectful relations between Board members and managing the interface between the Board and the Management;</p> <p>5.5 Lead Board meetings and discussions by encouraging active participation and allowing dissenting views to be freely expressed;</p> <p>5.6 Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;</p> <p>5.7 Ensuring that prior to any new appointments to the Board, an assessment is undertaken on the candidate to ensure they have the necessary skills, expertise and diversity to carry out their fiduciary duty; and</p> <p>5.8 Ensuring that succession planning of the Board and C-level Team is considered on an ongoing basis.</p>
6.	Role and Responsibilities of Individual Directors	<p>6.1 The Directors must be aware of their responsibilities and are required to comply with their legal, statutory and equitable duties in discharging their fiduciary duties.</p> <p>6.2 A director’s responsibilities include a duty to:</p> <p>(i) Act in good faith and in the best interests of the Company, including the exercise of reasonable care, skill and diligence at all times in discharging his/her duties;</p>

No.	Heading	Details
		<ul style="list-style-type: none"> <li data-bbox="639 233 1421 296">(ii) Demonstrate good stewardship and act in a professional manner with sound mind; <li data-bbox="639 338 1421 369">(iii) Contribute actively to the functions of the Board; <li data-bbox="639 411 1421 474">(iv) Comply with all applicable laws and regulations, including the CRA 2010. <p data-bbox="526 516 1421 621">6.3 Every Director shall devote sufficient time to prepare for and attend Board and Board Committee meetings, any continuous training programmes and briefings.</p> <p data-bbox="526 663 1421 873">6.4 A Director must not hold more than five (5) Directorships in a public listed company as prescribed by the MMLR to ensure his/her commitment in his/her time and resources will not be affected in discharging his/her duties effectively as a Director. Executive Director must not hold directorship in any other public listed company.</p> <p data-bbox="526 915 1421 1083">6.5 All Directors shall ensure that they keep abreast of regulatory changes, other developments and broad business trends. The Board must evaluate the training needs of its Directors on a continuous basis and ensure all Directors have access to appropriate continuing education programmes.</p> <p data-bbox="526 1167 1016 1199"><u>Responsibilities of Independent Directors</u></p> <p data-bbox="526 1230 1421 1262">6.6 The responsibilities of an Independent Director shall include:</p> <ul style="list-style-type: none"> <li data-bbox="639 1304 1421 1472">(i) Provide and enhance necessary independence and objectivity of the Board which includes providing independent and objective views, advice and judgment to ensure that the interests of the Group, shareholders and stakeholders are well taken into account; <li data-bbox="639 1514 1421 1545">(ii) Ensure effective checks and balances on the Board; <li data-bbox="639 1587 1421 1650">(iii) Mitigate any potential conflict of interest that may arise in the governance of the Company; <li data-bbox="639 1692 1421 1797">(iv) Constructively challenge and contribute to the development of business strategy and direction of the Company; and

No.	Heading	Details
		<p>(v) Ensure adequate systems and controls are in place to safeguard the interests of the Company.</p> <p>6.7 An independent director must immediately disclose to the Board in the event of any change in his/her circumstances that may affect his/her objectivity and/or status as an Independent Director. In such case, the Board must review the respective director's designation as an Independent Director.</p>
7.	Role and Responsibilities of Group CEO	<p>7.1 The Group CEO assumes overall responsibilities for the execution of the business plan in line with the Board's direction and drives the business and performance towards achieving the Company's vision and goals.</p> <p>7.2 The key roles include, among others:</p> <ul style="list-style-type: none"> (i) displaying ethical behaviour while overseeing the day-to-day business operations, implementing Board policies and strategies, and making operational decisions; (ii) serving as the conduit between the Board and Management in ensuring the success of the Company's governance and management functions; (iii) ensuring effective relationships and communication with Management, and between the Board, shareholders and relevant stakeholders; (iv) providing strong leadership by effectively communicating the vision, management philosophy, business strategy and company policies to employees; and (v) keeping the Board informed of salient aspects and issues concerning the Company's operations.
8.	Board Composition	<p>The Board composition shall comprise of:</p> <p>8.1 At least two Directors or 1/3 of the Board, whichever is the higher, are Independent Directors. If the number of directors is not 3 or a multiple of 3, then the number nearest 1/3 must be used;</p> <p>8.2 Directors with the balance of skills, diversity and expertise who collectively possess the necessary qualifications to carry out the fiduciary duties of the Board. Appointment of Board members shall be based on objective criteria, merit and with due regard for</p>

No.	Heading	Details
		<p>diversity in skills, experience, age, cultural background and gender;</p> <p>8.3 The Board shall endeavour to maintain a composition of at least 30% female Directors;</p> <p>8.4 The positions of Chairman of the Board and CEO are to be held by different individuals, unless otherwise agreed by the shareholders of the Company;</p> <p>8.5 The Chairman of the Board shall be a Non-Executive Director and approved by the Board;</p> <p>8.6 The Board shall endeavour to ensure that the majority of the Board is comprised of Independent Directors to ensure more effective oversight of management;</p> <p>8.7 In the event of any vacancy in the Board, resulting in non-compliance with the above, the vacancy must be filled within three (3) months;</p> <p>8.8 The board must also be mindful of the recommended best practices in relation to board appointments. All board members including public officials, should be nominated based on qualifications and have equivalent legal responsibilities. Further, the MCCG recommend that persons linked directly with the executive powers such as heads of state, heads of government and ministers, should not serve on boards as this would cast serious doubt on the independence of their judgment. The Company is discouraged from appointing an active politician as a director on its board.</p>
9.	Tenure of Directorships	<p>9.1 All Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election.</p> <p>9.2 The tenure of an Independent Non-Executive Director should not exceed a cumulative term of nine (9) years. Upon completion of 9 years, an Independent Non-Executive Director may continue to serve on the Board as a Non-Independent Non-Executive Director.</p> <p>9.3 If the Board intends to retain an Independent Non-Executive Director beyond nine (9) years but more than twelve (12) years, it shall justify and annual shareholders' approval through a two-tier voting process in accordance with the MCCG is required.</p>

No.	Heading	Details
		<p>9.4 Directors may resign from the Board with prior written notice to the Company Secretary, subject to compliance with the provisions of the CA 2016, the Company's constitution and all other laws and regulations that may apply.</p> <p>9.5 The office of a Director shall become vacant if the Director:-</p> <ul style="list-style-type: none"> (a) resigns his office by giving notice in writing to the Company; (b) no longer qualifies to be a director pursuant to the Third Schedule of the CRA, unless the Board deems otherwise; (c) has retired in accordance with the CA 2016 or the Constitution but is not re-elected; (d) is removed from his office as Director by ordinary resolution of the Company in a general meeting of which special notice has been given in accordance with Section 206(3) of the CA 2016; (e) becomes disqualified or is prohibited from being a Director under Sections 198 or 199 of the CA 2016; (f) has been convicted by a court of law of an offence under the securities law; (g) has been actively involved in political activities; (h) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder; (i) dies; or (j) is absent from more than 50% of the total Board of Directors' meetings held during a financial year unless approval is sought and obtained from the stock exchange.
10.	Board Meetings	<p>10.1 The Board shall meet four (4) times each financial year and at any such time(s) as it deems necessary to fulfil its responsibilities. The Board may decide to increase the frequency of meetings over a specific duration if it is deemed to be beneficial for the Company.</p> <p>10.2 At least two (2) Directors shall be entitled to request for a special Board meeting.</p> <p>10.3 The Company should leverage technology to facilitate voting including voting in absentia and remote shareholders' participation at general meetings. The Company should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.</p> <p>10.4 Prior written or electronic notice of at least five (5) business days for any Board meeting shall be given to each Director. Such notice shall contain the date, time, and place of the meeting, and the</p>

No.	Heading	Details
		<p>proposed agenda for the meeting. Unless otherwise agreed by all Directors, no resolution relating to any business may be proposed or passed at any Board meeting, except as specified in the proposed agenda for the meeting.</p> <p>10.5 The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.</p> <p>10.6 Directors who cannot physically attend or vote at board meetings can participate and vote through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication that would allow them reasonable opportunities to participate and vote in the meeting. A Director who participates through remote communication shall be deemed present for purposes of quorum.</p> <p>10.7 The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.</p> <p>10.8 The Chairman of the Board shall preside over all meetings of the Board and the shareholders' meetings. In the absence of the Chairman, the members present shall elect a Chairman from among them to chair the meeting.</p> <p>10.9 The quorum for Board meetings shall be governed as follows:</p> <p>(i) The quorum for meetings of the Board shall be four (4) Directors, of whom at least one (1) Director present (whether in person or by remote means) is a nominee Director of Inodes Limited.</p> <p>(ii) If such a quorum is not present at any Board meeting within half-an-hour of the time appointed for the</p>

No.	Heading	Details
		<p>meeting, then such meeting shall stand adjourned to the same day in the next week, at the same time and place.</p> <p>(iii) All resolutions of the Board must be validly approved by at least a majority of the Directors present (whether in person or by remote means) at the meeting where there is a lawful quorum present throughout, unless the law requires a higher number of Directors present (whether in person or by remote means) to constitute a quorum.</p> <p>(iv) The Board shall meet as required in Malaysia or in any other place as the Board may decide.</p> <p>(v) Any Director may vote on a matter even if he is interested in that matter provided that he makes a declaration of his interest at the Board meeting, subject to the requirements of Applicable Law.</p> <p>(vi) Each Director is entitled to one (1) vote in deciding the matters deliberated in the meeting.</p> <p>(vii) The decision that gained the majority votes of the Board shall be the decision of the Board. In the event of an equality of votes, the Chairman of the Board shall be entitled to a second or casting vote.</p> <p>10.10 The Company Secretary shall act as the Secretary of the Board who shall be in attendance and shall be responsible for keeping minutes of all Board Meetings. The Board also has access to any form of independent professional advice, information and the advice and services of the Company Secretary, if and when required, in carrying out its functions</p> <p>10.11 The minutes shall record the proceedings of the meeting, the tabling of pertinent issues, the substance of inquiry and response, relevant suggestions and decision made, including whether any Director abstained from voting or deliberating on a particular matter, as well as the rationale behind those decisions. Minutes of meetings should be circulated to all members of the Board in a timely manner.</p> <p>10.12 Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.</p>
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No.	Heading	Details
	Circular Resolution	11.1 The Board may deal with matters by way of circular resolution. A resolution in writing signed by ALL the Directors, shall be as valid and effectual as if it had been passed by a meeting of the Board duly called and constituted. The decision shall be presented at the next Board subsequent meeting, for noting and minutes.
12.	Attendance	<p>12.1 Each Director is required to attend at least 50% of the total board meetings held in each financial year. The Directors of the Company may attend the Board meetings in conference via telephone, video, electronic or other communication facilities which permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, in which event such Director shall be deemed to be present at the meeting;</p> <p>12.2 Directors who are unable to attend the meeting shall advise the Chairman or the Company Secretary; and</p> <p>12.3 Subject to Chairman's consent with the advice from the Group CEO, Management or any other persons shall be invited to attend the meetings as and when required.</p>
13.	Board Committees <i>[please refer to the Terms of Reference of Board Committees]</i>	<p>The Board may delegate some of its powers and functions to each of the following Board Committees to assist it in carrying out its responsibilities:</p> <p>(i) Audit and Risk Committee ("ARC") – The ARC assists and supports the Board's responsibility of overseeing the Company's operations by providing a means for reviewing the Company's processes for producing financial data, its internal controls and policies and procedures to assess the suitability, objectivity and independence of the Company's external auditor and internal audit function. Also, primarily responsible for assisting the Board in overseeing the risk management frameworks and policies within the Company.</p> <p>(ii) Nomination & Remuneration Committee ("NRC") – The NRC oversees matters related to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as undertakes the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director. The NRC is also primarily responsible for recommending to the Board the Directors' fee/ remuneration arrangements for Non-Executive Directors, remuneration policy and package for Executive Directors, and remuneration framework for the Company's Management. No Director shall be involved in deciding his own remuneration.</p>

No.	Heading	Details
		<p>(iii) Board Investment Committee (“BIC”) – the BIC review CTOS’s strategic direction and strategic plan pertaining to all matters/activities related to acquisitions and divestments of any business/investment, and overseas equity ventures, equity and/or capital requirements for the acquisition/investment including their fund-raising requirements, due diligence expenses for acquisition/investment above RM500,000, and CTOS’s investment policies, strategies, objectives and activities.</p> <p>The Chairman of the respective Committees shall report and update the Board on significant issues and concerns discussed and where appropriate, make the necessary recommendations to the Board. The Board shall remain responsible for the respective Committees’ decisions.</p>
14.	Matters Reserved	<p>14.1 The matters reserved for the Board include, but are not limited to the following:</p> <ul style="list-style-type: none"> (i) the Company’s strategy, plans and budgets; (ii) implementation and adequacy of the Group’s Business Continuity Plan; (iii) Acquisitions and disposals and transactions exceeding the authority limits of the Group CEO; (iv) Changes to the Group CEO; (v) Appointment and changes in Directors; (vi) Changes in the key policies, procedures and delegated authority limits of the Company; (vii) Major changes in the business activities and any other significant business decision of the Company; (viii) Treasury policies and bank mandate; (ix) Related Party Transactions; <p><u>Financial</u></p> <ul style="list-style-type: none"> (x) Interim and annual financial statements and release of the said financial announcements; (xi) Directors’ Report and Statutory Accounts;

No.	Heading	Details
		<p>(xii) Interim dividends, recommendation of final dividends and making of any other distribution;</p> <p>(xiii) Financing facilities and banking arrangements including changes to authorised signatories and approval limit;</p> <p>(xiv) Adoption of accounting policies; and</p> <p>(xv) Review the effectiveness of the Group's system of internal controls. This function is delegated to the Audit and Risk Committee which will in turn report to the Board on its findings.</p>
15.	Code of Conduct and Ethics	<p>15.1 The Board shall formalise and maintain a set of ethical standards of behaviour expected of all Directors, Management, employees and, where applicable, counterparts and business partners through the Company's Code of Business Conduct and together with Management, implement its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.</p> <p>15.2 The policies of the Company's Code of Business Conduct should be integrated into the group-wide management practices.</p> <p>15.3 The Directors shall at all times exercise their powers in accordance with the CA 2016 for a proper purpose and to act in good faith and in the best interests of the Company. The Directors shall adhere to the general principles of integrity, objectivity, accountability, openness, honesty and leadership. The Directors' code of ethics are set out in Code of Business Conduct and Ethics.</p>
16.	Board Evaluation	<p>16.1 The Board shall carry out the evaluation on the performance and effectiveness of the Board, Board Committees and individual Directors on an annual basis.</p> <p>16.2 The engagement of external consultants or experts to assist in the board evaluation shall be at the discretion of the Board.</p> <p>16.3 The Board, in assessing a Director's independence, should focus not only on whether a Director's background and current activities qualify him or her as independent but also whether the Director can act independently of Management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company.</p>

No.	Heading	Details
17.	Training and Development	<p data-bbox="521 300 1417 405">17.1 All Directors (who have not attended such training) are required to complete the Mandatory Accreditation Programme (MAP) as required under the MMLR.</p> <p data-bbox="521 443 1417 579">17.2 All Directors shall attend appropriate training on a continuous basis to ensure that they keep abreast of regulatory changes, other developments and broad business trends, and to improve their skill sets to effectively discharge their duties as Board members.</p>
18.	Review	<p data-bbox="521 657 1417 793">18.1 The Board of Directors may review the Board’s Charter and Terms of Reference and the Terms of Reference for each Board Committee established by the Board once every two (2) years or as and when is deemed necessary.</p> <p data-bbox="521 831 1417 905">18.2 This Board Charter was reviewed and approved by the Board on 13 December 2021.</p>