



**JS SOLAR HOLDING BERHAD**  
[Registration No. 202401025305 (1571154-D)]

## BOARD CHARTER

Adopted by Board : 9 December 2024

Effective Date : 9 December 2024

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(Incorporated in Malaysia)

**BOARD CHARTER**

**1. INTRODUCTION**

- 1.1 The Board of Directors (“**Board**”) of JS Solar Holding Berhad (“**Company**”) is collectively responsible for leading and ensuring the long-term success of the Company and its subsidiaries (collectively referred to as the “**Group**”) through effective corporate governance. The Board holds a fiduciary duty in ensuring effective governance and management of the Company, as well as the financial and organisational health of the Group.
- 1.2 This Board Charter serves as a comprehensive guideline for the Board of the Company. It aims to provide a concise overview of:
  - (a) the delineation of the duties, responsibilities and powers of the Board, Executive Directors and senior management of the Company. This is aimed at streamlining and enhancing transparency, accountability and integrity in boardroom activities involving the Group; and
  - (b) the Board’s operating procedures and practices, including meetings, selection, nomination and appointment processes, training and development initiatives, performance management, Board’s evaluation procedures, code of conduct enforcement and resolution on conflicts of interest.
- 1.3 This Board Charter is subject to the provisions of the Companies Act 2016 (“**Act**”), Company’s Constitution, ACE Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), the principles and recommendations prescribed by the Malaysian Code on Corporate Governance (“**MCCG**”) and any other applicable laws or regulatory requirements.
- 1.4 In the event of a conflict between the Constitution and this Board Charter, the provisions of the former shall have precedence subject to compliance with the legislation and regulatory requirements.

**2. THE BOARD**

**2.1 Duties and Responsibilities of the Board**

- 2.1.1 The Board as a whole is explicitly responsible for the stewardship of the Group, and in discharging its obligations diligently with integrity and in an objective manner. Each Director has a legal duty to act in the best interest of the Company at all times.
- 2.1.2 The Board has adopted the Code of Conduct and Ethics which serves as a guide for the Board in discharging its oversight role effectively. This Code of Conduct and Ethics requires all Directors to observe high ethical business standards, honesty and integrity and to apply these values to all aspects of the Group’s business and professional practice and act in good faith in the best interests of the Group and its shareholders at all times.

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2.1.3 The Board assumes, amongst others, the following principal duties and responsibilities:

- (a) to set the values, standards and strategic aims of the Company;
- (b) to review and establish a strategic plan for the Group that supports long-term value creation and incorporates economic, environmental and social strategies to ensure sustainability;
- (c) to review, challenge and decide on management's proposals for the Group, and monitor its implementation by management;
- (d) to oversee the conduct of the Group's business to ensure proper management, including supervising and evaluating corporate behaviour and business practices within the Group;
- (e) to identify and understand the principal risks and ensure the implementation of appropriate internal controls and mitigation measures to manage these risks;
- (f) to review the risk management and internal control systems, and to assess the effectiveness of risk management;
- (g) to set the risk appetite within which the Board expects senior management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- (h) to ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and senior management;
- (i) to develop and implement an investor relations programme or a shareholders' communications policy to facilitate effective communication with stakeholders;
- (j) to review and approve financial statements, quarterly reports and annual reports;
- (k) to review and approve the reports of Audit and Risk Management Committee ("ARMC") and Nomination and Remuneration Committee ("NRC") at the end of each financial year;
- (l) to review and approve the Company's annual reports;
- (m) to ensure the integrity of the Company's financial and non-financial reporting;
- (n) to undertake a formal and objective annual evaluation to determine the effectiveness of the Board, the Board Committees and each individual Director;

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- (o) together with management to:
  - foster good corporate governance culture within the Group that upholds ethical, prudent and professional behaviour;
  - establish code of conduct and ethics, policies and procedures to guide the behaviour of Directors, management and employees in addressing and managing anti-corruption, whistleblowing and conflict of interest;
  - ensure a sustainable anti-corruption compliance programme is implemented on Group-wide basis with adequate resources assigned;
  - establish an adequate framework for co-operation and communication between the Company and its subsidiaries for effective oversight of the Group's financial and non-financial performance to ensure integrity, business strategy and priorities, risk management including material sustainability risks, and corporate governance policies and practices;
- (p) to ensure that the Company has effective Board Committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by MCCG;
- (q) to appoint the Board Committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by the Board Committees and deliberate on the recommendations thereon; and
- (r) to carry out or perform such function as deemed necessary in discharge of fiduciary duties under relevant laws and regulations.

2.1.4 The Directors may exercise their authority and perform their duties in managing the Company within the scope and jurisdiction of the Company's Constitution, prevailing laws and regulations. The Board, as the ultimate decision maker, except for matters requiring shareholder approval, reserves full decision-making powers to ensure the direction and control of the Group. A schedule of matters reserved for the Board's decision is set out in **Appendix A** of this Board Charter.

## **2.2 Division of Roles and Responsibilities of the Board Members**

### **2.2.1 Roles of Board Chairman**

The roles of Board Chairman and Managing Director should be separate and held by different individuals. The key roles and responsibilities of the Board Chairman include, amongst others, the following:

- (a) to provide overall leadership to the Board to ensure it can perform its responsibilities effectively;
- (b) to lead the Board in the adoption and implementation of good corporate governance practices in the Group;

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- (c) to set the Board agenda and ensure that the Board members receive complete and accurate information in a timely manner;
- (d) to lead Board meetings and facilitating effective discussions, ensuring an appropriate level of interaction among Board members;
- (e) to encourage active participation at Board meetings and allow dissenting views to be freely expressed;
- (f) to promote constructive and respectful relations between Directors and senior management;
- (g) to ensure appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole; and
- (h) to preside over the Board and general meetings of the Company.

#### **2.2.2 Roles of Managing Director**

The Managing Director is responsible to spearheading the business through effective implementation of the Company's strategic plan and policies established by the Board, making major corporate decisions and managing the overall operations and resources of the Group. The Managing Director also has the authority to subdelegate his powers to senior management as deemed necessary.

The key roles and responsibilities of the Managing Director include, amongst others, the following:

- (a) to manage the day-to-day affairs and business operations of the Group;
- (b) to develop and implement strategic business plan and corporate policies, provide effective leadership and to ensure the business objectives, strategies and policies are communicated across all levels in the Group;
- (c) to provide assistance to the Board members and Board Committees as required, in discharging their duties;
- (d) to assist the Board Chairman in organising information necessary for the Board to address the agenda and to provide such information to Directors accurately and in a timely manner;
- (e) to review the adequacy and timing of documentary materials in support of management's proposal and review the performance of the Group;
- (f) to serve as a focal point for stakeholders' communication and engagement on corporate governance issues; and
- (g) to ensure that effective management succession planning is in place to develop talent and sustain continuity of operations.

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**2.2.3 Roles of Executive Director**

The key roles and responsibilities of the Executive Director include, amongst others, the following:

- (a) to oversee day-to-day operations and management within their specific areas of expertise or assigned responsibilities;
- (b) to implement strategic plans and policies set by the Board, ensuring alignment with the Company's overall objectives and vision; and
- (c) to assist the Managing Director in discharging his duties, contributing to decision-making processes and managing overall Company operations.

**2.2.4 Roles of Non-Executive Director**

Non-Executive Director is a member of the Board who is not an employee of the Company. Non-Executive Directors can be classified as:

- (a) those who have no direct or indirect pecuniary interest in the Company other than their Directors' emoluments and their permitted shareholdings in the Company;
- (b) those who are not employees of the Company or affiliated with it in any other way and are not involved in the day-to-day running of business but may have a pecuniary interest in the Company, whether direct or indirect; or
- (c) those who are not employees of the Company but are standing as nominees for substantial shareholders.

The key roles and responsibilities of the Non-Executive Director include, amongst others, the following:

- (a) to advise and guide management in the development and evaluation of strategy to ensure alignment with long-term goals and shareholder interests;
- (b) to scrutinise and evaluate the performance of management in meeting agreed goals and objectives, and to monitor the accuracy and transparency of performance reporting;
- (c) to ensure the accuracy and reliability of financial information by reviewing financial reports and statements; and
- (d) to review and assess the robustness and defensibility of risk management and internal control systems to safeguard the Company's assets and interests.

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**2.2.5 Roles of Independent Director**

The Independent Director is a Non-Executive Director who is free from significant business or other relationships with the Company and the Group. This independence allows them to provide unbiased judgement and promote good corporate governance. The roles of Independent Director broadly include the following:

- (a) to ensure there is a proper check and balance on the Board by providing unbiased and independent views in deliberating and making decision at the Board meeting, focusing on the interests of all shareholders and stakeholders, including minority shareholders;
- (b) to improve corporate credibility and governance standards by functioning as a watchdog, and make significant contributions to the Company's decision making with impartiality; and
- (c) to make independent assessment of information, reports or statement when the interests of the management, the Company and/or shareholders diverge, such as on executive performance and remuneration, related party transactions and audit matters.

**3. BOARD MEMBERSHIP GUIDELINES**

**3.1 Board Composition and Balance**

- 3.1.1 The Constitution of the Company stipulates that until otherwise determined by the Company in general meeting, the number of Directors (disregarding alternate directors) shall be at least two (2) and not more than fifteen (15).
- 3.1.2 The composition of the Board shall at all times comprise at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, shall be Independent Non-Executive Directors. If the number of Directors is not three (3) or multiple of three (3), then the number nearest to one-third (1/3) shall be used.
- 3.1.3 The Board must consist of qualified individuals with a diverse set of skills, expertise and experiences from various backgrounds to effectively govern the Company. The composition and size of the Board will be reviewed from time to time to ensure its effectiveness with the assistance of the NRC.
- 3.1.4 In the event of any vacancy in the Board resulting in non-compliance with Rule 15.02(3) of the Listing Requirements, the Company must fill the vacancy within three (3) months of the event.
- 3.1.5 Pursuant to Rule 15.06(1) of the Listing Requirements, a Director must not hold more than five (5) directorships in listed issuers on Bursa Securities.
- 3.1.6 The Board Chairman shall not be a member of the ARMC and NRC.

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3.1.7 The Board is supportive of gender boardroom diversity and will strive to achieve and maintain at least 30% women directors on the Board. In its selection of Board members, the Board provides equal opportunity to all candidates who meet the criteria and other qualities relevant to the Group's current business portfolios and prospective investments.

**3.2 Nomination, Appointment and/or Re-election of Directors**

3.2.1 The appointment of a new Director and/or re-election of Director is a matter for consideration and decision by the Board, upon recommendation from the NRC.

3.2.2 In making its recommendation to the Board, the NRC shall be guided by the Terms of Reference of the NRC and Directors' Fit and Proper Policy, and shall consider the following:

- the current composition of the Board and the tenure of each Director;
- the required mix of diversity in skills, experience, age, race, cultural background and gender of the Board;
- the character, experience, integrity, competence, time commitment of such candidate to serve the Board effectively, taking into consideration the number of board positions held on other board of listed and non-listed companies, and such other fit and proper criteria as set out in the Directors' Fit and Proper Policy;
- whether there is any existing or potential conflict of interest that could affect the execution of his/her role as a Director; and
- in the case of candidates for the position of Independent Non-Executive Directors, the Board shall also evaluate the candidates' ability to discharge such responsibilities and functions as are expected from Independent Non-Executive Directors.

No person shall be appointed, re-appointed, elected or re-elected as a Director of the Board or continue to serve as a Director if the person is or becomes an active politician. A person is considered an "active politician" if he/she is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.

3.2.3 Upon the appointment of a Director, the said Director shall provide to Bursa Securities an undertaking prescribed by Bursa Securities in any event not later than fourteen (14) days.

3.2.4 New Directors are expected to possess necessary expertise to make a positive contribution to the Board's performance of its duties. New Directors are required to commit sufficient time to attend the Company's meetings and address relevant matters before accepting their appointment to the Board.

3.2.5 The Board does not solely rely on recommendations from existing Board members, management or major shareholders for identifying candidates for appointment of Directors. The Board may utilise independent sources to identify suitable and qualified candidates.

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### **3.3 Tenure of Directors**

3.3.1 Pursuant to the Constitution of the Company, an election of Directors shall take place each year. At the first annual general meeting (“**AGM**”) of the Company, all the Directors shall retire from office and at the AGM in every subsequent year one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office provided always that all the Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

3.3.2 The Directors to retire in each year shall be those who have been longest in office since their last election, but as between persons who became Directors or were last re-elected as Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. The length of time a Director has been in office shall be computed from the date of his last election or appointment when he has previously vacated office.

3.3.3 The tenure of an Independent Director should not exceed a term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director.

In the event the Board intends to retain an Independent Director beyond nine (9) years, the Board must provide justification and seek annual shareholders' approval through a two-tier voting process in accordance with the best practice recommended by MCGC.

3.3.4 The office of a Director shall be vacated if the Director:

- (a) resigns in accordance with Section 208(2) of the Act;
- (b) has retired in accordance with the Act or the Constitution but is not re-elected;
- (c) is removed from his office in accordance with the Act or the Constitution;
- (d) becomes disqualified from being a Director under Sections 198 or 199 of the Act;
- (e) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001 (Act 615);
- (f) dies;
- (g) subject to Listing Requirements, is absent from more than 50% of the total Board meetings held during the financial year unless approval is sought and obtained from Bursa Securities;
- (h) convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences set out in the Listing Requirements; or
- (i) otherwise vacates his office in accordance with the Constitution.

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## **4. BOARD STRUCTURES AND PROCEDURES**

### **4.1 Board Committees**

- 4.1.1 The Board shall establish committees delegated with specific authority and operating under the Terms of Reference as approved by the Board to assist the Board in discharging its duties and responsibilities. While delegating its authority, the Board should not abdicate its responsibilities and continuously exercise collective oversight of both the Board Committees and management.
- 4.1.2 The Board Committees do not make decision on behalf of the Board. Each Board Committee will have the authority to examine specific issues within its Terms of Reference and make the necessary recommendations to the Board for consideration and decision making. The chairman of each Board Committee will report to the Board on key issues deliberated by the Board Committees at the Board meetings.
- 4.1.3 The roles and responsibilities, structure and composition of the Board Committees as stated in the Terms of Reference will be assessed and reviewed as and when necessary to ensure the Terms of Reference are in accordance with the Listing Requirements and best practices recommended by MCCG.
- 4.1.4 The composition of each Board Committee shall comply with the relevant requirements as stipulated in the Listing Requirements and MCCG. The Board has established the following Board Committees, each with specific functions delegated to assist the Board in carrying out its duties and responsibilities:
  - (a) ARMC; and
  - (b) NRC.

### **4.2 Board Meetings and Procedures**

- 4.2.1 Board meetings
  - (a) The Board meets regularly at least four (4) times in a year. Additional Board meetings will be held as and when required.
  - (b) The Directors may meet together for the despatch of business at such time and place, adjourn and otherwise regulate their meetings and proceedings as they think fit. The quorum necessary for the transaction of the business of Directors shall be two (2).
  - (c) The Board Chairman shall preside as chairman at all Board meetings. If no such Board Chairman is elected or if at any meeting the chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, the Directors present may choose one (1) of their number to be chairman of the meeting.

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- (d) All Directors must meet the minimum 50% attendance requirement imposed by the Listing Requirements. Senior management who are not Directors may be invited to attend and speak at Board meetings on certain matters relating to their areas of responsibility. The Board may also invite external parties such as auditors, solicitors and consultants to attend as and when the need arises.
- (e) The Board should be informed of the decision and significant issues deliberated by the Board Committees via the reporting by the chairman of the respective Board Committees and minutes of the Board Committees' meetings tabled at the Board meetings.
- (f) The Board meetings shall not be combined with Board Committees' meetings to enable objective and independent discussion during the meeting.
- (g) In the event matters requiring the Board's decision arise between the Board meetings, such matters shall be resolved through circular resolution which shall be supported by relevant papers setting out details of the subject matter.

**4.2.2 Notice and agenda of meetings**

- (a) Except in the case of an emergency, the notice of Board meeting and meeting papers should be circulated at least seven (7) days prior to each Board meeting allowing the Directors to have sufficient time to review the same and make informed decision.
- (b) The Company Secretary shall work together with the Board Chairman in developing the meeting agenda. The agenda shall include, amongst others, matters specifically reserved for the Board's decision.

**4.2.3 Voting**

- (a) Every Board Member shall have the right to speak and vote on any matters tabled at the Board meeting. All matters to be decided upon and approved by the Board shall be put to vote and passed by a majority of vote. In case of any equality of votes, the chairman of the Board meeting shall have a second or casting vote.
- (b) Where a Director is directly or indirectly interested in any transaction, or has a conflict or potential conflict of interest in any transaction entered into by the Company, he/she has a duty to make an immediate declaration to the Board. The Director must abstain from deliberations and decisions of the Board regarding the transaction.

**4.2.4 Minutes**

- (a) All Board members shall ensure that the minutes of Board meeting accurately reflect the deliberations and decisions of the Board, including any concerns raised by Directors or dissenting views expressed. Any Directors who abstained from voting or deliberation on a particular matter will be recorded in the minutes.

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(b) The Board Chairman shall ensure that minutes of all resolutions and proceedings of Board meetings are duly entered into the books of the Company. The minutes of the Board meeting shall be signed by the chairman of the Board meeting at which the proceedings were held or by the chairman of the next succeeding Board meeting and if so signed, shall be conclusive evidence without any further proof of the facts therein. Minutes of each Board meeting shall be distributed to all members of the Board in a timely manner.

#### **4.3 Access to Information and Advice**

4.3.1 All Directors shall have unrestricted access to the management to any information pertaining to the Group, including access to the advice and services of the Company's internal auditors, external auditors and Company Secretary, which is relevant to the furtherance of their duties and responsibilities as Directors of the Company at the expense of the Company.

4.3.2 In discharging the Directors' duties, each Board member is entitled to obtain independent professional advice at the expense of the Company. This includes advice deemed relevant and necessary for the Directors to fulfil their duties for the overall benefit of the Company.

4.3.3 In such circumstances, the Director shall first discuss it with the Board Chairman and provide the request to seek professional independent advice for the Board's consideration and approval. It must be noted that such restriction does not apply to the Executive Director when acting in their executive responsibilities and delegated powers.

4.3.4 All information and documentation received by the Board from the Company shall be treated as confidential, unless otherwise expressly decided by the Board. All Board members are responsible for ensuring that all materials received are properly protected and kept confidential. If any information is to be provided to third parties, this shall be decided by the Managing Director.

4.3.5 Confidential information received by the Directors in the course of their Board duties remains the property of the Group, whether it pertains to the Group or another entity. It shall not be disclosed unless so authorised in writing by the Board Chairman or required by law.

#### **4.4 Disclosures of Interest**

4.4.1 A Director should avoid involving himself/herself in situations where there is real or apparent conflict of interest between him/her as individual and the interest of the Company or Group.

4.4.2 Should there be any situation involving conflict of interest, a Director must declare and disclose the nature and extend of any conflict of interest, whether direct or indirect, actual or potential with the Company or Group, immediately after the relevant facts have come to the Director's knowledge. The Director concerned should abstain from the deliberations and voting on any Board resolution approving any contract or arrangement or any other proposal in which he/she or any person connected with him/her has a material interest nor shall he/she be counted in the quorum present at the Board meeting.

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**4.5 Directors' Remuneration**

- 4.5.1 The performance of Directors is measured by the Directors' contribution and commitment to both the Board and the Company.
- 4.5.2 The fees and any benefits payable to the Directors shall be subject to annual shareholders' approval at a general meeting. The Directors may be paid for all traveling, hotel and other reasonable expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company in the course of performing their duties as Directors.
- 4.5.3 The Company shall provide a fair, reasonable and competitive remuneration for its Executive Directors to ensure that the Company attracts and retains high calibre Executive Directors who have the skills, experience and knowledge to increase entity value to the benefit of all shareholders.
- 4.5.4 For Non-Executive Directors, the determination of their remuneration is a matter for the Board as a whole and the level of remuneration reflects the experience and level of responsibility of each Non-Executive Director. The Directors concerned shall abstain from voting or participating in discussions about their own remuneration.
- 4.5.5 Directors who are shareholders and controlling shareholders with a nominee or connected Director on the Board shall abstain from voting on the resolution to approve directors' fees and benefits at the AGM.
- 4.5.6 The Board has established a formal and transparent process for approving the remuneration of Directors. The NRC is responsible for reviewing the remuneration policy and making recommendations to the Board for approval. During its review, the NRC considers factors such as fiduciary duties, expected time commitments and the Company's performance. The remuneration policy will be periodically reviewed by the NRC to ensure its relevance and effectiveness.
- 4.5.7 The Board shall disclose the individual Directors' remuneration on a named basis in the Company's annual report to shareholders.

**4.6 Board Assessment and Evaluation**

- 4.6.1 The NRC is entrusted by the Board to conduct an annual review of the performance and effectiveness of the Board, its committees and individual Directors. The Board assessment and evaluation shall focus on the necessary mix of skills, experience and other qualities required for optimal Board function. The results of the evaluation are then discussed during the Board meeting to ensure continuous improvement and alignment with the Company's strategic goals.
- 4.6.2 To maintain the integrity and independence of the appraisal process, the Company Secretary is authorised to collate the results of the evaluation before presenting them to the chairman of the NRC and Board Chairman.

**4.7 Directors' Training and Continuing Education**

- 4.7.1 All newly appointed Directors are required to complete the Mandatory Accreditation Programme required under the Listing Requirements.

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- 4.7.2 In addition to the Mandatory Accreditation Programme as required by Bursa Securities, the Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes which are relevant to the Group's operations and business.
- 4.7.3 The Board, through the NRC, will annually assess and determine the training needs of Directors. The Board will ensure that the Directors have access to continuing education programmes, enabling them to effectively discharge their duties and participate actively in Board's deliberation.
- 4.7.4 The Board shall disclose in the annual report the training attended by Directors for the financial year, including a brief description of the type of training attended. In exceptional circumstances where any Director has not attended any training during the financial year, the Board should provide valid justifications for the non-attendance of such Director.

#### **4.8 Dealings in Securities**

- 4.8.1 A Director must not deal in the Company's securities when he/she is in possession of price sensitive information.
- 4.8.2 All Directors must also comply with the disclosure requirements as prescribed under Chapter 14 of the Listing Requirements when dealing in the Company's securities.

### **5. CORPORATE POLICIES AND PROCEDURES**

The Board acknowledges the importance of maintaining robust corporate policies and procedures to uphold ethical standards and legal compliance. The Board has established the following policies to support its oversight functions and advance the Group's corporate governance:

#### **5.1.1 Anti-Bribery and Anti-Corruption Policy**

The objectives of this policy are as follows:

- (a) to provide guidance for employee, affiliated members and external parties and to assist them to identify and deal with bribery and corruption issues as well as to understand their roles and responsibilities;
- (b) to provide guidance on appropriate actions to be taken when dealing with situations involving corruption and bribery; and
- (c) to create a working environment free of bribery and corruption to enhance the trust and confidence of the stakeholders.

#### **5.1.2 Whistleblowing Policy**

The objectives of this policy are as follows:

- (a) to encourage employee, affiliated members and stakeholders to disclose any improper conduct they become aware of;
- (b) to enable the Group to address concerns internally and in an appropriate manner;

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- (c) to provide protection for whistleblowers who report allegations of improper conduct, ensuring that they are not subjected to reprisal, separation, demotion, suspension or loss of benefits due to their report. Additionally, to take appropriate action in response to the disclosure and protect the whistleblower's personal information; and
- (d) to foster a culture of transparency and trust both within the organisation and with external stakeholders, aiming to build and strengthen relationships based on openness and integrity.

**5.1.3 Directors' Fit and Proper Policy**

The objectives of this policy are as follows:

- (a) to serve as a guide to ensure all Directors of the Group possess the necessary character, experience, integrity, competence, and time to effectively discharge their roles as Directors; and
- (b) to assist NRC in conducting essential assessments of candidates before appointment of new Directors or re-appointment and/or re-election of existing Directors.

**5.1.4 Code of Conduct and Ethics**

The objectives of this policy are as follows:

- (a) to establish ethical conduct standards for Directors based on accepted beliefs and values;
- (b) to uphold social responsibility and accountability in alignment with legislation, regulations and guidelines governing the Group; and
- (c) to document and emphasize to Directors their integral obligation to perform duties in a lawful, honest and ethical manner and free from any conflict of interest or perceived conflict of interest.

The Company's policies are made available on the Company's website.

**6. FINANCIAL REPORTING**

- 6.1 The Board as a whole is responsible for the accuracy and integrity of the Group's financial reporting. The Board aims to present a clear and balanced assessment of the Group's financial position and prospects in its annual and quarterly reports.
- 6.2 The Board ensures that the annual and quarterly reports prepared are true and fair view of the Group's current financial status in accordance with approved accounting standards.
- 6.3 The ARMC plays a crucial role in ensuring that the Group's financial statements is a reliable source of financial information. It also ensures compliance with the applicable financial reporting standards before recommending the Group's financial statements to the Board.

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## **7. BOARD RELATIONSHIP WITH SHAREHOLDERS AND STAKEHOLDERS**

7.1 The Board is responsible:

- (a) for ensuring the Company's strategies that promote sustainability and the rights of other stakeholders are not compromised;
- (b) to develop and implement a communication policy that enables both the Board and management to communicate effectively with the Company's shareholders, stakeholders and the general public to facilitate understanding of each other's objectives and expectations including timely release of financial results on a quarterly basis to provide an overview of the Group's performance and operations; and
- (c) to ensure the Group's sustainability strategies, priorities and targets as well as performance are communicated to its internal and external stakeholders.

7.2 The Board shall ensure the Company leverages on information technology in communicating with stakeholders, including a dedicated section for Investor Relations on the Company's website. This ensures effective dissemination of information and easy access to corporate information pertaining to the Group and its activities. The website should be continuously updated to provide the latest information, such as the Board Charter, Terms of Reference, annual reports and corporate policies and procedures of the Company.

7.3 The Board shall arrange for the general meetings of the Company to be conducted in an efficient manner, including considering leveraging technology to facilitate electronic voting and remote shareholders' participation. This enhances shareholder communications for a greater understanding of the Group's business, governance and performance. To enhance the effectiveness of the general meeting, the Board is committed to the following best practices:

- (a) notice of AGM be given to the shareholders at least 28 days prior to the meeting;
- (b) ensure that clear and concise explanation is included in the notice of general meetings for the proposed resolutions to enable shareholders to make an informed decision when exercising their voting rights;
- (c) all Directors, particularly the chairman of each Board Committee will make their endeavours to attend the general meetings to facilitate the engagement with shareholders and provide meaningful responses to questions addressed to them;
- (d) the Board Chairman shall provide adequate time for discussion at general meetings and ensure that general meetings support meaningful and interactive engagement between the Board, senior management and shareholders. This includes discussing the Company's financial and non-financial performance as well as its long-term strategies; and
- (e) minutes of the general meeting will be published onto the Company's website no later than 30 business days after the conclusion of the general meeting.

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*(Board Charter – Cont'd)*

**8. COMPANY SECRETARY**

- 8.1 The Company Secretary shall be a person who is qualified pursuant to Section 235 of the Act. The Board is supported by a suitably qualified and competent Company Secretary, who plays an important role in providing sound governance advice, ensuring adherence to rules and procedures, and advocating the adoption of corporate governance best practices.
- 8.2 The Company Secretary shall, in accordance with the Act, be appointed by the Directors for such term, at such remuneration, and upon such conditions as the Directors think fit. The Company Secretary so appointed may be removed by the Directors but without prejudice to any claim he or they may have for damages for breach of any contract of service with the Company.
- 8.3 The key roles and responsibilities of the Company Secretary include, amongst others, the following:
  - (a) to ensure that Board procedures are followed during meetings;
  - (b) to manage all logistics for Board and Board Committees meeting, attend and record minutes of all such meetings;
  - (c) to advise the Board on its roles and responsibilities;
  - (d) to provide updates and advise the Board on corporate disclosures and compliance with the Act, securities regulations and Listing Requirements;
  - (e) to manage procedures pertaining to the AGM;
  - (f) to monitor corporate governance developments and assisting the Board in adopting good corporate governance practices to meet the Board's needs and stakeholders' expectations; and
  - (g) to carry out other functions as may be directed by the Board from time to time.
- 8.4 The office of the Company Secretary shall be vacated if the Company Secretary resigns from his office by giving notice in writing to the Board in accordance with the Act.

**9. REVIEW OF BOARD CHARTER**

The Board will periodically review and update this Board Charter to ensure its relevance, effectiveness and alignment with the Group's objectives, practices and current laws and regulations. Any amendments to this Board Charter shall be approved by the Board.

This Board Charter is made available on the Company's website.

### **Schedule of Matters Reserved for the Board**

The following summarises the list of matters reserved for deliberation and decision by the Board:

#### **1. Strategy and management**

- (a) Responsibility to oversee the overall direction of the Group, including to review and approve its objectives and strategic planning.
- (b) Oversight of the Group's operations and management.
- (c) Review of performance in the light of the Group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- (d) Extension of the Group's activities into new business or geographic areas.
- (e) Any decision to cease to operate all or any material part of the Group's business.
- (f) Approval of key policies of the Company.
- (g) Approval of treasury policies, bank mandates and limits of authority for the Company.

#### **2. Structure and capital**

- (a) Changes relating to the Group's capital structure including reduction of capital, share issues (except under employee share plans) and share buy backs.
- (b) Major changes to the Group's corporate structure including but not limited to acquisitions and disposals of shares which are material relative to the size of the Group in question.
- (c) Changes to the Group's management and control structure.
- (d) Changes to the Company's listing or its status as a public listed company.

#### **3. Board membership and other appointments**

- (a) Changes to the structure, size and composition of the Board; appointment and recommendation for removal, re-appointment and/or re-election of Director(s).
- (b) Establishment of Board Committees, including the appointment of their members and approval of their respective terms of reference.
- (c) Appointment and removal of Company Secretary(ies).
- (d) Appointment, re-appointment or removal of the external auditors to be put to shareholders for approval in a general meeting, following the recommendation of the ARMC.

#### **4. Board assessment and evaluation**

- (a) Conduct and review the annual assessment and evaluation on the performance and effectiveness of the Board, Board Committees and individual Directors.
- (b) Determining the independence of Independent Non-Executive Directors.
- (c) Ensure adequate succession planning for the Board and senior management to maintain an appropriate balance of skills and experience within the Company and on the Board.

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**5. Remuneration**

- (a) Determining the remuneration policy for the Directors and senior management.
- (b) Recommendation of the Directors' fees and benefits payable to Non-Executive Directors for shareholders' approval.
- (c) Approval of remuneration packages and structure, including service contracts of Executive Directors.
- (d) Approval of remuneration packages for C-suite management.

**6. Financial reporting and controls**

- (a) Review and approval of quarterly and year-end financial statements.
- (b) Approval of the Annual Report and audited financial statements.
- (c) Approval of ARMC Report, Statement on Risk Management and Internal Control, Sustainability Statement, Corporate Governance Overview Statement and Corporate Governance Report for inclusion in the Company's annual reports.
- (d) Approval of dividends for payment to shareholders or recommendation of other distribution to the shareholders for approval.
- (e) Adoption of accounting policies and practices in line with the applicable accounting standards.
- (f) Approval of annual budget, covering the annual operating and capital expenditure budgets and any material changes to them.

**7. Risk management and internal controls**

- (a) Review the effectiveness of the Group's system of risk management and internal controls via the ARMC.
- (b) Conducting annual review to ensure adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions.

**8. Others**

- (a) Prosecution, commencement, defence or settlement of litigation, or an alternative dispute resolution mechanism.
- (b) Review and approve related party transactions of a material nature.
- (c) Approval of the overall levels of insurance for the group including Directors' and officers' liability insurance.
- (d) Any decision is likely to have a material impact on the Company or Group from any perspective including but not limited to financial, operational, strategic or reputational.
- (e) Any other matters requiring the Board's approval.