

BOARD CHARTER OF KOMARKCORP BERHAD

1. Purpose of Charter

The Board Charter sets out the authority, responsibilities, membership and operation of the Board of Directors ("Board") KOMARKCORP BERHAD ("the Company"), adopting principles of good corporate governance and practice and is designed to maximize the Company's compliance with best practice requirements. It also outlines the manner in which the Board discharges its responsibilities in pursuit of the Company's goals and objectives.

2. Authority

The Board derives its authority to act from the Memorandum and Articles of Association of the Company and the law and regulations governing companies in Malaysia.

3. Role of Board

The Board's role is to:

- represent and serve the interests of shareholders by assuming ultimate accountability and responsibility for the performance and affairs of the Company, overseeing and evaluating the Company's strategies, policies and performance. The Board, at all times, shall retain full and effective control over the Company and shall direct and supervise the business and affairs of the Company;
- ensure that Management has in place appropriate processes for risk assessment, management and internal controls and monitoring the Company's performance and build sustainable value for shareholders and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- set, review and ensure compliance with the Company's values; and
- ensure shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

4. Board Responsibility

4.1 Responsibilities/functions of the Board include:

- input into and final approval of management development of corporate strategies and ensuring that the strategies promote sustainability;
- overseeing the conduct of the Company's business and build sustainable value for shareholders;
- monitoring corporate performance and implementation of strategy and policy;
- approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting with the guidance of the Audit Committee;

- reviewing, ratifying and monitoring systems of risk management and internal control and ethical and legal compliance under the guidance of the Audit Committee. This includes reviewing procedures to identify the main risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;
- selecting, appointing and evaluating from time to time the performance of, and planning succession of the Group Chief Executive Officer and Joint Group Chief Executive Officer under the guidance of the Nominating Committee;
- ensuring that succession planning of the senior management is in place;
- reviewing and approving remuneration of the Group Chief Executive Officer, Joint Group Chief Executive Officer, Executive Directors and the Non-Executive Directors under the guidance of the Remuneration Committee;
- monitoring Board composition, processes and performance with the guidance of the Nominating Committee;
- ensuring that the Company's financial statements are true and fair and conform with the relevant standard, rules and regulations;
- developing and implementing a Corporate Disclosure Policy (including an investor relations programme or shareholder communications policy) for the Group;
- monitoring and reviewing policies and procedures relating to occupational health and safety and compliance with relevant laws and regulations; and
- ensuring that the Company adheres to high standards of ethics and corporate behaviour; and
- performing such other functions as are prescribed by law or are assigned to the Board.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, a Director, employee or other person subject to ultimate responsibility of the Directors under the Companies Act, 1965.

4.2 Matters which are specially reserved for the Board or its committees include the following:

- Appointment of the Chairman, Group Chief Executive Officer and Joint Group Chief Executive Officer, Directors and Company Secretaries.
- Establishment of Board committees, their membership and delegated authorities.
- Approval of interim dividend and recommendation of final dividend for shareholders' approval.
- Review of corporate governance principles and policies.
- Approval of major capital expenditure, acquisition and divestitures in excess of authority levels delegated to management.
- Calling of meetings of shareholders.
- Appointment of the external auditor.

- Approving the Company' financial statements.
- Any other specific matters nominated by the Board from time to time.

5. Conduct of the Board

Each Director will ensure that no decision or action is taken that has the effect of placing his or her interests of the Company.

Directors commit to the collective, group decision making process of the Board. Directors will debate issues openly and constructively and be free to question or challenge the opinions presented at meetings where their judgement differs from other Directors or Management.

In discharging his/her duties, each Director must:

- exercise care and diligence;
- act in good faith and in the best interest of the Company;
- not improperly use his/her position or misuse information of the Company; and
- commit the time necessary to discharge effectively his/her role as Director

The Company's Articles of Association ("Articles") stipulate that a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare his interest in accordance with the provisions of the Companies Act, 1965. The Director concerned shall not participate in deliberations and shall abstain himself/herself from casting his/her votes in any matter arising thereof unless otherwise as provided for in the Articles of the Company.

Shall there be an actual, potential or perceived conflict of interest between the Company or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, or a related company, the Director involved shall make full disclosure and act honestly in the best interest of the Company.

An actual, potential or perceived conflict of interest shall not necessarily disqualify an individual Director from the Board provided that full disclosure of the interest has been made in good faith and with due honesty.

6. Board Procedures

- 6.1 The conduct of Directors will be consistent with their duties and responsibilities to the Company and, indirectly, to shareholders. The Board will be disciplined in carrying out its role, with the emphasis on strategic issues and policy. Directors will always act within any limitations imposed by the Board on its activities.
- 6.2 Board members are required to attend the Board meetings and attendance of each individual Director in the meetings held in a financial year is required to be disclosed in the Annual Report. Directors are expected to participate fully and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board. Directors unable to attend a meeting will advise the Chairman at an earlier date as possible and inform the Secretary.

- 6.3 Board discussions will be open and constructive, recognizing that genuinely held differences of opinion could bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek a consensus in the Board but may where considered necessary, call for a vote. All discussions and their record will remain confidential unless there is a specific direction from the Board to the contrary, or law requires disclosure. Subject to legal or regulatory requirements, the Board will decide the manner and timing of the publication of its decisions.
- 6.4 Executive Directors attend Board meetings to discharge their Board responsibilities. At Board meetings Board responsibilities supersede all executive responsibilities.
- 6.5 The Board has sole authority over its agenda and exercises this through the Chairman. Any Director may, through the Chairman, request the addition of an item to the agenda. The Chairman in consultation with the Group Chief Executive Officer and Joint Group Chief Executive Officer and the Secretary will set the agenda.
- 6.6 The notice of a Directors' meeting shall be given in writing at least seven (7) days prior to the meeting.
- 6.7 The Board shall meet regularly, at least on a quarterly basis. Special Board meetings shall be held in addition to the quarterly meetings as and when required. Prior notice of meetings will be given to all who are required to attend the meetings.
- 6.8 Directors are entitled to have access, at all reasonable times, to all relevant company information and to management.
- 6.9 Directors are expected to strictly observe confidentiality of company information.
- 6.10 In making policy, the Board will not reach specific decisions unless it has considered the more general principles upon which they are founded, and in reaching other specific decisions, the Board will consider the policies against which the decisions are made.
- 6.11 The Board shall have access to Management and employees of the Company in discharging in connection with any meeting of the Board or any of the Board Committees. The Board may invite Management, employees or any other person to attend meetings of the Board or of any Board Committees to assist in the discussion and examination of the matters under consideration by the Board or Board Committees.

7. Provision of Business or Professional Services by Directors

- 7.1 Generally, Directors shall not provide business or professional services of an ongoing nature to the Company.
- 7.2 Not with standing the general rule, the Company is the liberty to:
- For the purpose of special assignment, engage the services of any Director having special expertise in the particular field; or
 - Engage the services of a party related to a Director's of an organization.

So long as the terms of engagement are competitive, are clearly recorded and all legal requirements for disclosures of the engagements are properly observed.

8. Other Board Appointment

Any Director is, while holding office, at liberty to accept other Board appointments so long as the appointment is not in conflict with the business and does not affect his performance as a Director. The Director must notify the Chairman before accepting any other Board appointment with indication of time that will be spent on the new appointment.

9. Independent Professional Advice

- 9.1 Any Director is entitled to obtain independent professional advice relating to the affairs of Company or to his or her other responsibilities as a Director.
- 9.2 If a Director considers such advice is necessary he shall first discuss it with the Chairman and, having done so, shall be free to proceed.
- 9.3 Subject to the prior approval of the Chairman, the cost of the advice will be reimbursed by the Company but the Directors will ensure, so far as is practicable, that the cost is reasonable.

10. Indemnities and Insurance

The Company shall make all reasonable effort to provide Directors with, and will pay the premiums for, indemnity and insurance cover while acting in their capacities as Directors, to the fullest extent permitted by the Companies Act, 1965 and Law.

11. Delegation to Committees

The Board may from time to time establish committees, as it considers necessary or appropriate to assist it in carrying out its responsibilities.

A number of standing committees with written terms of reference has been established namely the following:

a) Audit Committee

The Audit Committee assists in providing oversight on the Group's financial reporting, disclosure, regulatory compliance and monitoring of internal control processes within the Group. The Audit Committee reviews the quarterly financial results, unaudited and audited financial statements, internal and external audit reports as well as related party transactions or where it involves conflict of interests.

b) Nomination Committee

The Nomination Committee oversees matters relating to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director, identify candidates to fill board vacancies, and nominating them for approval by the Board.

c) Remuneration Committee

The Remuneration Committee is primarily responsible for recommending to the Board the remuneration of Group Chairman and Executive Directors.

The respective committees' term of reference are set out in the Appendices A, B and C.

12. Relationship with Management

- a) Directors may delegate their powers when they consider it appropriate. However, ultimate responsibility for strategy and control rests with the Directors as guided by the Group Chief Executive Officer and Joint Group Chief Executive Officer.
- b) Management will supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate.
- c) Every possible effort will be made to ensure that Board papers tabled at a Board meeting will be made available to all Directors attending, regardless of location.
- d) Any abstention, due to any reason whatsoever including but not limited to conflict of interest, must be indicated to the Chairman at the time the matter is being considered and recorded in the Minutes.
- e) The management may be invited from time to time to Board meetings, as the Directors deem necessary.
- f) The management function is conducted by, or under the supervision of, the Group Chief Executive Officer and Joint Group Chief Executive Officer as directed by the Board and by other officers to whom management function is properly delegated by the Managing Director.

13. Structure

The Company's Memorandum & Articles of Association governs the regulations and proceedings of the Board. The Board, together with the Nominating Committee, determines the size and composition of the Board subject to the terms of the Company's Memorandum & Articles of Association.

13.1 Board Composition

The Board recognises the importance of having a clearly accepted division of power and responsibilities at the head of the Company to ensure a balance of power and authority. It is the policy of the Board to keep the roles of the Chairman and the Chief Executive Officers separate.

The Board should comprise a minimum of one third of independent non-executive directors and comprise directors with a broad range of skills, diversity, expertise and experience from range of backgrounds.

The Chairman must be a non-executive Director and is appointed from amongst the Directors as approved by the Board. If the Chairman of the Board is not an independent Director, the Board must comprise a majority of independent Directors. The majority shareholder may nominate the Chair.

The Board regularly reviews the independence of each non-executive director in light of information relevant to this assessment as disclosed by each non-executive Director to the Board.

A Director is considered to be independent for the purpose of service on the Board and Board committees if the Director satisfies the standards adopted by the Board from time to time assist it in regular 'independence' determinations.

The Board only considers directors to be independent where they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to interfere with – the exercise of their unfettered and independent judgement.

The tenure of an independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the 9 years, an independent Director may continue to serve on the Board subject to the Director's re-designation as a non-independent Director. Otherwise, the Board may, in exceptional cases and subject to the assessment of the Nomination Committee on an annual basis, recommend for an independent Director who has served a consecutive or cumulative term of nine years to remain as an independent Director subject to shareholders' approval.

13.2 Election and Re-Election

The Company complies with the regulations and the laws governing the election and re-election of directors in addition to the provisions of its Memorandum & Articles of Association.

13.3 Company Secretary

The Board recognizes the fact the Company Secretary should be suitably qualified and capable of carrying out the duties required.

The key role of the Company Secretary shall include

- provide unhindered advice and services for the Directors, as and when the need arises;
- enhance the effective functioning of the Board;
- ensure regulatory compliance;
- preparing agendas and coordinating the preparation of the Board papers in a timely and effective manner;
- ensure that Board procedures and applicable rules are observed;
- maintaining records of the Board and ensure effective management of organisation's records;
- preparing comprehensive minutes to document Board proceedings and ensure conclusions are accurately recorded;
- assisting the communications between the Board and Management; and
- providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.

14. Relationship with the Shareholders and Stakeholders

The Board shall maintain an effective communications policy that enables both the Board and Management to communicate effectively with its shareholders, stakeholders and the general public.

It is the role of the Board to ensure that the Annual General Meeting (“AGM”) and Extraordinary General Meeting (“EGM”) of the Company are conducted in an efficient manner and serves as a crucial mechanism in shareholder communications. Key ingredients behind this include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the AGM.

The Board will focus its efforts on the following best practices to enhance the effectiveness of the General Meeting:

- ensure that each item of special business included in the notice to be accompanied by a full explanation of the effects of the proposed resolution;
- encourage poll voting on substantive resolution and make an announcement of the detailed results showing the number of votes cast for and against each resolution;
- for re-election of Directors, ensures that the notice of meeting state which Directors are standing for election or re-election with a brief description to include matters such as age, relevant experience, list of directorships, date of appointment to the Board, details of participation in board committee and the fact that a particular Director is independent;
- ensure that the Chairman provides reasonable time for discussion at the meeting. Where appropriate and if required, the Chairman will also undertake to provide written answer to any significant question which cannot be answered immediately; and
- conduct a question and answer session, where appropriate and if required.

The Group Chief Executive Officer and Joint Group Chief Executive Officer will take responsibility for addressing queries from shareholders, stakeholders and analysts.

15. Board-Management Relationship

15.1 Role of the Group Chief Executive Officer and Joint Group Chief Executive Officer

- The Board will link the Company’s governance and management functions through the Group Chief Executive Officer and Joint Group Chief Executive Officer.
- All Board authority conferred on Management is delegated through the Group Chief Executive Officer and Joint Group Chief Executive Officer so that the authority and accountability of Management is considered to be the authority and accountability of the Group Chief Executive Officer and Joint Group Chief Executive Officer so far as the Board is concerned.
- The responsibility of the Group Chief Executive Officer and Joint Group Chief Executive Officer shall be stated in an agreed job description and generally, the Group Chief Executive Officer and Joint Group Chief Executive Officer are responsible to the Board for the following:-

Group Chief Executive Officer

- executive management of the Group's Business covering, inter alia, the development of a strategic plan; an annual operating plan and budget; performance benchmarks to gauge management performance and the analysis of management reports; and
- assures the Group's corporate identity, products and services are of high standards and are reflective of the market environment;

Joint Group Chief Executive Officer

- ensures that the Group's Financial Reports present a true and fair view of the Group's financial condition and operational results and are in accordance with the relevant accounting standards; and
- generally assists the Chief Executive Officer in all respects, where required.

Jointly

- (i) set, review and ensure compliance with the Company's value;
- (ii) be the official spokesman for the Company and responsible for regulatory, governmental and business relationships;
- (iii) ensures compliance with governmental procedures and regulations;
- (iv) assists the Chairman in organising information necessary for the Board to deal with the agenda and for providing this information to Directors on a timely basis.
- (v) directing and controlling all aspects of the business operations in a cost effective manner;
- (vi) effectively oversee the human resources of the Group with respect to key positions in the Group's hierarchy;
- (ii) coordinates business plans with the businesses heads, coordinates management issues through the Board, and oversees divisional function groups and cost containment process in consultation with the Financial Controller; and
- (iii) maintains and facilitates a positive working environment and good employee relations; and
- Only decisions of the Board acting as a body are binding on the Group Chief Executive Officer and Joint Group Chief Executive Officer. Decisions or instructions of individual Directors, officers or committees are not binding except in those instances where the Board gives specific authorization.

15.2 Accountability of Group Chief Executive Officer and Joint Group Chief Executive Officer

The Group Chief Executive Officer and Joint Group Chief Executive Officer are accountable to the Board for the achievement of the Company Goals and are also accountable for the observance of the Management Limitations.

15.3 Management Limitations

- The Group Chief Executive Officer and Joint Group Chief Executive Officer are expected to act within all specific authorities delegated to them by the Board.
- The Group Chief Executive Officer and Joint Group Chief Executive Officer are expected not to cause or permit any practice, activity or decision that is contrary to commonly accepted good business practice or professional ethics.
- In allocating the capital and resources of the Company, the Group Chief Executive Officer and Joint Group Chief Executive Officer are expected to adhere to the Company Goals.
- The Group Chief Executive Officer and Joint Group Chief Executive Officer are expected not to cause or permit any action without taking into account the health, safety, environment and political consequences and their effect on long-term shareholder value.
- The Group Chief Executive Officer and Joint Group Chief Executive Officer are expected not to cause or permit any action that is likely to result in the Company becoming financially embarrassed.
- The assets of the Company are expected to be adequately maintained and protected, and not unnecessarily placed at risk. In particular, the Company must be operated with a comprehensive system of internal control, and assets of funds must not be received, processed or disbursed without controls that, as a minimum, are sufficient to meet standards acceptable to the Company's external auditors.
- The Group Chief Executive Officer and Joint Group Chief Executive are expected not to permit employees and other parties working for the Company to be subjected to treatment or conditions that are undignified, inequitable, unfair or unsafe.
- The Group Chief Executive Officer and Joint Group Chief Executive Officer are expected not to cause or permit payments to be made or rewards given unless they are in return for contributions towards the purposes of the business and are proportional to the extent that the contribution in question has furthered such purposes.

15.4 Role of Chairman

The Chairman represents the Board to the shareholders. The Chairman is principally responsible for the working of the Board which includes:-

- Providing overall leadership to the Board, without limiting the principle of collective responsibility for Board decisions;
- Participating in the selection of Board members and ensuring that the membership is properly balanced;
- Chairing meetings of the Board in such a manner that will stimulate debate on the issues before the Board and encourage the most effective contribution from each Director. The Chairman should ensure that the agenda and all necessary background paper are given to Directors in sufficient time to enable the papers to be adequately considered before the meeting;

- Reviewing the minutes of meeting of the Board before meeting, to ensure they accurately reflect the Board's deliberations, and matters arising from the minutes and on which further action is required have been addressed;
- ensuring that all Directors are enabled and encouraged to participate in its activities;
- ensuring the integrity of the governance process and issues;
- maintaining regular dialogue with the Group Chief Executive Officer and Joint Group Chief Executive Officer over all operational matters and consulting with the remainder of the Board promptly over any matters that gives him/her cause for major concern;
- monitoring Board performance as a whole;
- ensuring membership of the Board is appropriately skilled to meet the needs of the Company;
- assisting in Board discussions to address the key issues facing the Company;
- initiating the establishment of Board Committees and ensuring that they achieve their objectives;
- guiding and promoting the ongoing efficacy and development of the Board and its individual Directors; and
- fastening high corporate governance.

The Chairman acts as an informal link between the Board and Management and particularly between the Board and the Group Chief Executive Officer and Joint Group Chief Executive Officer. No company is likely to run effectively and efficiently unless there is a good working relationship between the Chairman and the Group Chief Executive Officer and Joint Group Chief Executive Officer.

The Chairman, along with all other Directors, should recognize that the Group Chief Executive Officer and Joint Group Chief Executive Officer are the leaders of the Company in all matter of Management and should not expect to become involved in the Company's day-to-day operations. It is the Group Chief Executive Officer and Joint Group Chief Executive Officer responsibility to report to the Board as a whole and not just to the Chairman.

The Chairman expects to be kept informed by the Group Chief Executive Officer and Joint Group Chief Executive Officer of all important matters and make himself/herself available to the Group Chief Executive Officer and Joint Group Chief Executive Officer –

- To be part of the control mechanism in ensuring that the Group Chief Executive Officer's and Joint Group Chief Executive Officer's decisions are properly considered and sound;
- To give assistance and advice when need especially on sensitive matters which the Group Chief Executive Officer and Joint Group Chief Executive Officer feel unable to discuss with other executives;
- To ensure that the Group Chief Executive Officer and Joint Group Chief Executive Officer understand properly and perform their side of the relationship; and
- To oversee Management establishes adequate control mechanism to cover compliance responsibilities and risk management.

The Board communicates with shareholders at shareholders' meetings and through the distribution of its annual reports. The Chairman normally chairs these meetings where he/she will use this as an opportunity to inform shareholder of the Company's affair including its performance.

This role calls for special skills and personal qualities that allow and encourage shareholders to have their say while remaining relevant to the matter in issue, and the Chairman must also have capability to summarize and unify thoughts and ideas and in control of the meeting.

The Chairman also lead the role in presenting the Company's cause, whether formally or informally, with the authorities, institutional or potential investors and those having influence on the environment in which the Company operates.

16. Board and Member Evaluations

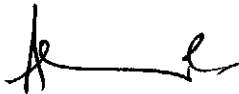
- 16.1 The Board will review the size and composition of the Board at least annually. The Board or via the Board committee, will also assess the Board's performance, at least annually, in order to confirm that its processes and procedures remain adequate to ensure that it is carrying out its functions as effectively as possible.
- 16.2 Individual Director will be evaluated by a process whereby the Board through the Nomination Committee determines questions to be asked of each Director about him or herself and about each other including the Chairman, and take the responses are collected and collated by the Nomination Committee Chairman who then discusses the results with each Director. The Nomination Committee Chairman's own position is discussed with the rest of the Board.

17. Revision and Updates

This Board Charter is to be reviewed by the Board as required.

This policy statement on the Board Charter is approved and adopted by the Board of Directors of **Komarkcorp Berhad** effective from 26 September 2014.

Confirmed by



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Chairman
Signed for & on behalf of the
Board of Directors of **Komarkcorp Berhad**

APPENDIX A

TERMS OF REFERENCE OF AUDIT COMMITTEE REPORT

1. OBJECTIVES

The objective of the Audit Committee ("AC") is to assist the Board of Directors in meeting its responsibilities relating to accounting and reporting practices of the Company and its subsidiary companies.

In addition, the AC shall:-

- a) Oversee and appraise the quality of the audits conducted both by the Company's internal and external auditors;
- b) Maintain open lines of communication between the Board of Directors, the internal auditors and the external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and
- c) Determine the adequacy of the Group's administrative, operating and accounting controls including administrative, operating and accounting controls.

2. COMPOSITION

The AC shall be appointed by the Directors from among their number (pursuant to a resolution of the Board of Directors) which fulfils the following requirements:-

- a) the audit committee must be composed of no fewer than three (3) members;
- b) a majority of the audit committee must be non-executive directors;
- c) all members of the Audit Committee should be financially literate and at least one member of the audit committee:-
 - i) must be a member of the Malaysian Institute of Accountants; or
 - ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:-
 - he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or

- iii) fulfils the requirements as may be prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities") and/or other relevant authorities from time to time; and
- d) no alternate Director shall be appointed as a member of Audit Committee.

The members of the Audit Committee shall elect a chairman from among their number who shall be an independent director.

In the event of any vacancy in the Audit Committee resulting in the non-compliance of item 2 (a) to (c) above, the vacancy must be filled within three (3) months of that event.

The Board of Directors must review the term of office and performance of the AC and each of its members at least once every three (3) years to determine whether the AC and members have carried out their duties in accordance with the terms of reference.

3. FUNCTIONS

The functions of the AC are as follows:-

- a) review the following and report the same to the Board of Directors:-
 - i) with the external auditors, the audit plan;
 - ii) with the external auditors, his evaluation of the system of internal controls;
 - iii) with the external auditor, his audit report;
 - iv) the assistance given by the Company's employees to the external auditors; and
 - v) any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions of management integrity.
- b) To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal and the letter of resignation from the external auditor, if applicable;
- c) To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- d) To review the quarterly and year-end financial statements of the Company, focusing particularly on:-
 - Any changes in accounting policies and practices;
 - Significant adjustments arising from the audit;
 - The going concern assumption;

- Compliance with accounting standards and other legal requirements;
- e) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary);
- f) To review the external auditor's management letter and management's response;
- g) To discuss the contracts for the provision of non-audit services which can be entered into and procedures that must be followed by the external auditors. The contracts that cannot be entered into should include management consulting, policy and standard operating procedures codumentation, strategic decision and internal audit.
- h) To review the adequacy and effectiveness of risk management, internal control and governance systems put in place in the Group, including information technology security and control, and to evaluate the systems with the internal and external auditors.
- i) To do the following in relation to the internal audit function:-
 - Ensure the internal audit function is independent of the activities it audits and the head of internal audit reports directly to the Audit Committee. The head of internal audit will be responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control and governance processes within the Company and provide assurance to the Audit Committee that the internal controls are operating effectively;
 - 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 action is taken on the recommendations of the internal audit function;
 - Review any appraisal or assessment of the performance of members of the internal audit function;
 - Approve any appointments or termination of senior staff members of the internal audit function;
 - Take cognizance of resignations of internal audit staff members (for in-house internal audit function) or the internal audit service provider (for out-sourced internal audit function) and provide the resigning staff member or the internal audit service provider an opportunity to submit his reasons for resigning.
- j) To consider any related party transaction that may arise within the Company and group;

- k) To consider the major findings of internal investigations and management's response;
- l) To consider other areas as defined by the Board, or as may be prescribed by Bursa Securities or any other relevant authority from time to time; and
- m) To perform any other functions/responsibilities as may be required of them by Bursa Securities or such other relevant authorities from time to time.

4. RIGHTS OF THE AUDIT COMMITTEE

The AC shall, wherever necessary and reasonable for the Company to the performance of its duties, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

- a) have authority to investigate any matter within its terms of reference;
- b) have the resources which are required to perform its duties;
- c) have full and unrestricted access to any information pertaining to the Company;
- d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- e) be able to obtain independent professional or other advice; and
- f) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

The Chairman of the AC shall engage on a continuous basis with senior management, such as the chairman, the chief executive officer, the chief finance officer, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

5. MEETINGS

The AC shall meet at least four (4) times a year and such additional meetings as the Chairman shall decide in order to fulfil its duties. However, at least twice a year the AC shall meet with the external auditors without the presence of executive Board members.

In addition, the Chairman may call a meeting of the AC if a request is made by any committee member, the Company's Chief Executive, or the internal or external auditors.

The Company Secretary or other appropriate senior official shall act as secretary of the AC and shall be responsible, in conjunction with the Chairman, for drawing up the

agenda and circulating it, supported by explanatory documentation to committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the AC, and circulating them to committee members and to the other members of the Board of Directors.

A quorum shall consist of a majority of independent directors.

By invitation of the AC, the Company must ensure that other directors and employees attend any particular audit committee meeting specific to the relevant meeting.

APPENDIX B

TERMS OF REFERENCE OF NOMINATION COMMITTEE

1. The principal objective of the Nomination Committee ("NC") is to assist the Board of Directors in its responsibilities in nominating new nominees to the Board of Directors. The Nomination Committee shall also assess the Directors of the Company on an on-going basis.

2. Membership

- 2.1 The NC shall have at least three (3) members
- 2.2 A majority of the NC must be Independent Non-Executive Directors
- 2.3 The quorum for the NC shall be two (2) members
- 2.4 The Chairman and members of the NC shall be appointed or removed by the Board
- 2.5 In the absence of the Chairman, the other Independent Non-Executive Director shall be the Chairman for that meeting.
- 2.6 In the event of equality of votes, the Chairman shall have a casting vote

3. Secretary

The Secretary of the NC shall be the Company Secretary of the Company.

4. Meetings

The NC may meet together for the despatch of business, adjourn and otherwise regulate the meetings at least once a year or more frequent 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 NC summon a meeting of the NC except in the case of an emergency, reasonable notice of every NC meeting shall be given in writing.

5. Authority

The NC shall in accordance with a procedure or process to be determined by the Board of Directors and at the expense of the Company:-

- 5.1 shall annually review the required mix of skills and experience and other qualities, including core competencies which non-executive and executive directors should have;
- 5.2 shall assess on an annual basis, the effectiveness of the Board of Directors as a whole, the committees of the Board and for assessing the contribution of each individual director; and
- 5.3 shall be entitled to the services of the Company Secretary who must ensure that all appointments are properly made that all necessary information is obtained from the directors, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the Main MLR or other regulatory requirements.

6. Duties and Responsibilities

The duties and responsibilities of the NC are:-

- 6.1 to recommend to the Board of Directors, candidates for all directorships to be filled by the shareholders or the Board of Directors;
- 6.2 to consider, in making its recommendations, candidates for directorships proposed by the Group Managing Director, and within the bounds of practicability, by any other senior executive, director or shareholder and the NC shall consider the candidates';
 - skills, knowledge, expertise and experience;
 - professionalism;
 - integrity; and
 - in the case of candidates for the position of independent non-executive directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from independent non-executive directors;
- 6.3 to recommend to the Board of Directors, the nominees to fill the seats on the board committees;
- 6.4 to review annually the required mix of skills and experience of the Board, including the core competencies which directors should bring to the Board;
- 6.5 to assess annually the effectiveness of the Board of Directors as a whole, the committees of the Board and the contribution of each individual director, including the independent non-executive directors, as well as the chief executive officer. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions shall be properly documented;
- 6.6 to act in line with the directions of the Board of Directors; and
- 6.7 to consider and examine such other matters as the NC considers appropriate.

APPENDIX C

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

1. The principal objective of the Remuneration Committee (" RC ") is to assist the Board of Directors in its responsibilities in assessing the remuneration packages of the Group Chairman and Executive Directors.

2. Membership

- 2.1 The RC shall have at least three (3) members
- 2.2 A majority of the RC must be Independent Non-Executive Directors
- 2.3 The quorum for the RC shall be two (2) members
- 2.4 The Chairman and members of the RC shall be appointed or removed by the Board
- 2.5 In the absence of the Chairman, the other Independent Non-Executive Director shall be the Chairman for that meeting.
- 2.6 In the event of equality of votes, the Chairman shall have a casting vote

3. Secretary

The Secretary of the RC shall be the Company Secretary of the Company.

4. Meetings

The RC may meet together for the dispatch of business, adjourn and otherwise regulate the meetings at least once a year or more frequent 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 RC summon a meeting of the RC except in the case of an emergency, reasonable notice of every RC meeting shall be given in writing.

5. Authority

The RC shall in accordance with a procedure or process to be determined by the Board of Directors and at the expenses of the Company:-

- 5.1 shall review, assess and recommend to the Board of Directors, the remuneration packages of the executive directors in all forms, with other independent professional advice or outside advice as necessary; and
- 5.2 shall be entitled to the services of the Company Secretary who must ensure that all decisions made on remuneration packages of the executive directors be properly recorded and minuted in the minutes book.

6. Duties and Responsibilities

The duties and responsibilities of the RC are:-

- 6.1 to review and assess the remuneration packages of the Group Managing Director and Executive Directors in all forms, with or without other independent professional advice or other outside advice;
- 6.2 to ensure the levels of remuneration be sufficiently attractive and be able to retain directors needed to run the Company successfully;
- 6.3 to structure the component parts of remuneration so as to link rewards to corporate and individual performance and to assess the needs of the Company for talent at board level at a particular time;
- 6.4 to recommend to the Board of Directors the remuneration packages of the Group Managing Director and Executive Directors;
- 6.5 to act in line with the directions of the Board of Directors; and
- 6.6 to consider and examine such other matters as the RC considers appropriate.

KOMARKCORP BERHAD (374265-A)

CODE OF ETHICS AND CONDUCT

1. INTRODUCTION

In line with good corporate governance practices, the Board, the Management and employees of KomarkCorp Berhad ("KMC" or the "Company") and its subsidiaries (collectively referred to as the "Group") have made a commitment to create a corporate culture within the group to operate the business of the Group in an ethical manner and to uphold the highest standards of professionalism and exemplary corporate conduct. This **Code of Ethics and Conduct** (the "Code") sets out the principles and standards of business ethics and conduct of the Group.

2. OBJECTIVE

The objective of the Code is to assist the Directors and Employees (as defined under Clause 3 of the Code) in defining ethical standards and conduct at work. The Code is not intended to be exhaustive, and there may be variations or additional obligations that Directors and Employees are expected to behave or conduct when performing their duties as and when deemed necessary.

For all intents and purposes, all Directors and Employees shall always observe and ensure compliance with all applicable laws, rules and regulations to which they are bound to observe in the performance of their duties.

3. APPLICABILITY

The code is applicable to all employees (including contractual and outsourced staff) ("Employees") and Directors of the Group.

Each Employee has a duty to read and understand the Code. Violation of any of the Code's provisions may result in disciplinary action, including termination of employment.

If any Director requires further clarification or have any concern on the Code, the Director may refer or highlight to the Chairman of the Board, the Group Chief Executive Officer or the Joint Group Chief Executive Officer, whereas for an Employee, the Employee may refer or highlight to their immediate superior, Human Resource and Administration Department, Head of Department or the Head of Branch.

4. CORE AREAS OF CONDUCT

4.1 Conflict of Interest

The Directors and Employees should avoid involving themselves in situations where there is real or apparent conflict of interest between them as individuals and the interest of the Group. Directors and Employees must not use their positions or knowledge gained directly or indirectly in the course of their duties or employment for private or personal advantages (directly or indirectly).

In addition, a Director or an Employee shall avoid any situation in which the Director or Employee has an interest in any entity or matter that may influence the Director or Employee's judgement in the discharge of responsibilities.

4.2 Confidential Information

It is pertinent that all Directors and Employees exercise caution and due care to safeguard any information of a confidential and sensitive nature relating to the Group which is acquired in the course of their employment, and are strictly prohibited to disclose or divulge to any person, unless the disclosure is duly authorized or legally mandated.

In the event that a Director or an Employee knows of material information affecting the Group, which has not yet been publicly released, the Director or the Employee must hold the material information in the strictest confidence until it is publicly released.

4.3 Inside Information and Securities Trading

No Director or Employee shall use price sensitive non-public information, which can affect the prices of the securities of the Company when it becomes publicly known ("Inside Information"), for personal benefit. Directors and Employees are prohibited to trade in securities or to provide information to others to trade-in securities of the Company until the Inside Information is publicly released. Directors or Employees shall also not trade in securities in any other public listed companies where they have Inside Information, which they obtain in the performance of their duties.

4.4 Protection of Assets and Funds

Directors and Employees must protect the assets and funds of the Group to ensure availability for legitimate business purposes and that no property, information or position belonging to the Group or opportunity arising from these be used for personal gain.

4.5 Business Records and Control

Accurate, timely and reliable records are necessary to meet the Group's legal and financial obligations and to manage the affair of the Group. All books, records and accounts should conform to generally accepted and applicable accounting principles and to all applicable laws and regulations. The preparation and maintenance of accurate and adequate business records are the responsibility of each Employee. No unauthorized, false, improper or misleading records or entries shall be made in the books and records of the Group, under any circumstances.

4.6 Compliance to the Law

The Group will comply with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdiction within which the Group operates. Directors and Employees are expected to understand and comply with the laws, rules and regulations that are applicable to their positions and/or work, including the Anti-Money Laundering and Anti-Terrorism Financing Act 2001, Malaysian Anti-Corruption Commission Act 2009, Personal Data Protection Act 2010 and Competition Act 2010. The group reserves the right to report any actions or activities suspected of being criminal in nature to the police or other relevant authorities.

4.7 Personal Gifting

No personal gifts, favours, benefits in kind, entertainment or services, in cash or kind, that will or will appear to influence objective and fair business decisions, will be accepted or provided.

Soliciting, accepting, requesting or receiving any sums of money, gifts, souvenirs or gratification in any form from vendors, business associates or clients in exchange for favor or any reasons is strictly not allowed.

4.8 Safety And Health

The Group will use its best endeavors to ensure a safe workplace and maintain proper occupational safety and health practices to commensurate with the nature of the Group's business and activities. Such a commitment in return requires that all Directors and Employees understand and abide by the Group's policies and procedures.

4.9 Sexual Harassment

Sexual harassment by any Director or Employee is unacceptable. It is the Group's policy to provide all Employees with a working environment free from any form of sexual harassment. Any question concerning issues of such should be directed either to the Employees' immediate superior or the Human Resource and Administration Department. All such reports and/or complaints shall be treated with strictest confidence.

4.10 Outside Interest

Directors and Employees shall not engage in an outside interest that will undermine the performance of the Directors and Employees or bring disrepute to the Group.

4.11 Equal Employment

All employees shall treat and be treated fairly and courteously by other employees without regard of race, creed, religion, gender, nationality, age and disability. There shall not be any form of discrimination or prejudice in the workplace.

4.12 Misconduct

No Director or Employee is to be involved in or abet any activity that is deemed by the Group to be an act of misconduct (includes use and abuse of drugs and vice)

5. REPORTING OF VIOLATIONS OF THE CODE

Any Employee who knows of, or suspects, a violation of the Code, is encouraged to whistle blow or report the concerns through the Whistle Blowing Policy. The provision, protection and procedure of the Whistle Blowing Policy for reporting of the violations of the Code are available on the KMC website. No individual will be discriminated against or suffer any act of retaliation for reporting in good faith on violations or suspected violations of the Code.

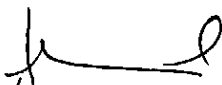
6. REVIEW OF THE CODE

The Board will monitor compliance with the Code and review the Code when there is necessary to ensure that it continues relevant and appropriate.

7. WAIVER OF THE CODE

The Board or the appropriate Committee of the Board may make waiver of the Code. Waiver of the Code may be granted on a case-by-case basis and only in extraordinary circumstances.

Confirmed by



.....
Chairman
Signed for & on behalf of the
Board of Directors of **Komarkcorp Berhad**

KOMARKCORP BERHAD

Whistle – Blowing Policy

Introduction

All employees are encouraged to raise genuine concerns about possible improprieties in matters of financial reporting, compliance and other malpractice at the earliest opportunity, and in an appropriate way

This policy is designed to:

- Support the company's values;
- Ensure employees can raise concerns without fear of reprisals; and
- Provide a transparent and confidential process for dealing with concerns

This policy not only covers possible improprieties in matters of financial reporting, but also:

- Fraud;
- Corruption, bribery or blackmail;
- Criminal offences;
- Failure to comply with a legal or regulatory obligation;
- Miscarriage of justice;
- Endangerment of an individual's health and safety; and
- Concealment of any or a combination of the above

Principles

The principles underpinning the policy are as follows:

- All concerns raised will be treated fairly and properly;
- The company will not tolerate harassment or victimization of anyone raising a genuine concern;
- Any individual making a disclosure will retain anonymity unless the individual agrees otherwise;
- The company will ensure that any individual raising a concern is aware of who is handling the matter; and
- The company will ensure no one will be at risk of suffering some form of reprisal as a result of raising a concern even if the individual is mistaken. The company, however, does not extend this assurance to someone who maliciously raises a matter he/she knows is untrue.

Grievance Procedure

If any employee believes reasonably and in good faith that malpractice exists in the work place, the employee should report this immediately to the line manager. However, if for any reason the employee is reluctant to do so, then the employee should report the concerns to either the :

- 1) Group Chairman; or
- 2) Audit Committee Chairman;

If these channels have been followed and employees still have concerns, or if employees feel the matter is so serious that it cannot be discussed with any of the above, they should contact Mr Low Tuck Meng, the Non Independent Non Executive Director at tuckmeng49@yahoo.com, being the director identified in the company's annual report as one to whom concerns may be conveyed.

Employees who have raised concerns internally will be informed of who is handling the matter, how they can make contact with them and if there is any further assistance required.

Employees' identities will not be disclosed without prior consent. Where concerns cannot be resolved without revealing the identity of the employee raising the concern (i.e. if the evidence is required in court), a dialogue will be carried out with the employee concerned as to whether and how the matter can be proceeded.

Confirmed by



Chairman

Signed for & on behalf of the
Board of Directors of **Komarkcorp Berhad**

1 September 2016