



BOARD CHARTER

BOARD COMPOSITION AND ROLES OF BOARD

The Board ensures the right mix of members with the appropriate skills and experience to cope with the complexities, competition and changes. The Board comprises of an Independent Chairman, Managing Director, (2) Executive Directors and (2) Independent Directors. The Sub-Committee comprises of Audit Committee, Remuneration Committee and Nominating Committee.

The Board recognizes their role in establishing ethical value that support a culture of integrity fairness, trust and high performance. The Board recognizes their role in ensuring that the Group not only operates successfully but sustains growth over the long term.

The Board has no interest or tie in the company that could adversely affect independent and objective judgment and place the interest of the Group above all other interests. The Board members devote sufficient time and fully commit to drive the Group and undertake continuous development of skills to enable fulfillment of their responsibilities to the Group.

The role of Chairman focuses on governance and compliance. The role of the Managing Director and Executive Directors focuses on the business and the day-to-day operations of the Group.

ROLE OF COMMITTEES

1. AUDIT COMMITTEE

The Audit Committee comprises of not less than three (3) non-executive directors. The members possess sufficient technical expertise to fulfill the functions of the Audit Committee. The Audit Committee meets minimum 4 times in a financial year.

The Audit Committee has a formal charter which sets out its role and responsibilities, composition, structure and membership requirements. The Committee has the necessary power and resources to meet the charter including rights of access to management and auditors (internal and external) and to seek explanations and additional information. Besides, review the Audit Committee Charter.

The Committee also reviews the Company's compliance with applicable accounting standards and generally accepted accounting principles.

Accounting and financial control policies and procedures have been established and are monitored by the Committee to ensure the accounts and other records are accurate and reliable. Any new accounting policies are reviewed by the Committee. Compliance with these procedures and policies and limits of authority delegated by the Board to management is subject to review by the external and internal auditors.



When considering the yearly financial reports, the Audit Committee reviews the carrying value of assets, provisions and other accounting issues.

The Executive officer who is overall in charged of the financial matters of the Company shall give a declaration to the Directors that the Company's financial records have been properly maintained and that the financial reports give a true and fair view before the Board resolves that the Directors' Declarations accompanying the financial reports be signed.

At each scheduled meeting of the Committee, both internal and external auditors report to the Committee on the outcome of their audits and the quality of controls throughout SOUTHERN CABLE Group of Companies. As part of its agenda, the Audit Committee meets with the external and internal auditors in the absence of any executive officer or management twice during each financial year.

The Chairman of the Audit Committee ordinarily reports to the full Board after Audit Committee Meetings. Minutes of Meetings of the Audit Committee are ordinarily included in the papers for the next full Board Meeting after each Committee Meeting.

2. REMUNERATION COMMITTEE

The Board has a Remuneration Committee which is comprised of at least two independent non-executive Directors. The Committee shall meet at least once in a year.

The Remuneration Committee has a formal Charter which sets out its role and responsibilities, composition structure and membership requirements.

The Committee makes recommendations to the full Board on remuneration arrangements for the Executive Directors and Senior Executives where deemed as appropriate, on other aspects arising from its functions.

Part of the role of the Remuneration Committee is to advise the Board on the remuneration policies and practices generally and the remuneration arrangements for directors and senior executives where deemed as appropriate.

3. NOMINATING COMMITTEE

The Board has established a Nominating Committee that chaired by an Independent Director. The Nominating Committee focuses on recruitment, assessment and training.

The Remuneration Committee has a formal Charter which sets out its role and responsibilities, composition structure and membership requirements.

The Nominating Committee conducts an assessment on independent directors annually, upon a director's readmission to the board and when any new interest or relationship surfaces, as well as review the individual director's time commitment and ability to fulfill their responsibilities. The Nominating Committee also looks into the training needs of directors.



The Board has considered establishing a Nomination Committee and decided in view of the relatively small number of Directors that such a Committee would not be a more efficient mechanism than the full Board for detailed selection and appointment practices. The full Board performs the functions that would otherwise be carried out by a Nomination Committee.

The Board's policy for the selection, appointment and re-appointment of Directors is to ensure that the Board possesses an appropriate range of skills, experience and expertise to enable the Board to most effectively carry out its responsibilities. As part of this appointment process, the Directors consider Board renewal and succession plans and whether the Board is of a size and composition that is conducive to making appropriate decisions.

The full Board assessed the necessary and desirable competencies of potential candidates and considered a number of names before deciding on the most suitable candidate for appointment. The selection process includes obtaining assistance from an external consultant to identify suitable candidates and in assessing them. Candidates identified as being suitable are interviewed by one or more Directors. Confirmation is sought from prospective directors that they would have sufficient time to fulfill their duties as a Director.

The key terms and conditions relative to the appointment of Directors, the Board's responsibilities and the Company's expectations of Directors are set out in a letter and Board of Directors resolution when a new non-executive Director is appointed.

BOARD FUNCTIONS

The Board of Directors is responsible for setting the strategic direction of the Group and for overseeing and monitoring its businesses and affairs. Directors are accountable to the shareholders for the Group's performance.

The Board reviews and approves the Group's strategic and business plans and guiding policies. Day to day management of the Group's affairs and implementation of its strategy and policy initiatives are delegated to the executive director and senior executives, who operate in accordance with Board of directors' approved policies and delegated Discretionary authority limits.

The functions of the Board include:-

1. Reviewing and adopting a strategic plan for the Group
2. Promoting ethical values and standards in the workplace
3. Overseeing strategies that address sustainability and stakeholder interest
4. Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed
5. Identifying the principal risks and ensuring the implementation of appropriate systems to manage these risks
6. Succession planning, including appointing, training, fixing the compensation of and where appropriate, replace senior management



7. Developing and implementing an investor relations programme or shareholder communications policy for the Group
8. Reviewing the adequacy and the integrity of the Group's internal control systems and information system, including systems for compliance with applicable laws, regulations, rules, directives and guidelines

PROCESSES OF BOARDS

Board Meetings

The Board meets at least four (4) times annually, with additional meetings being convened as and when necessary. The Board meetings are scheduled prior to the commencement of the financial year. The Board receives documents on matters requiring its consideration prior to and in advance of each meeting.

Minutes of proceedings and resolutions passed at each Board and Board Committees Meetings are kept in the statutory register at the registered office of the Company. In the event of a potential conflict of interest, the Director in such position will make a declaration to the effect as soon as practicable. The Director concerned will then abstain from any decision-making decision process in which he has an interest in.

Committee Meeting

Discussion, deliberation and decisions raised during the Committee meetings shall be duly recorded and safe kept by the company secretary.

Financial Reporting

Each quarter, Directors shall receive a detailed performance review report from the Executive Committee prior to Board Meeting is being held. The Chairman regularly communicates with the Executive Directors to review key issues and performance trends.

Non-financial reporting

The Board reviews the strategic action plan, approves the annual budget and monitors the Company's performance against them. Initiatives have included disciplined growth strategies, capital management, cost efficiencies and other aspects of operational improvement programs.

Decision making

The Board shall regularly review recommendations on key business decision given by the Executive Directors and/ or Executive Committee. Appropriate Limits of Authority shall be approved by the Board and adopted and executed by the management at various levels.

ENSURING EFFICIENCY

The Board of Directors is responsible for setting the strategic direction of the company and for overseeing and monitoring its businesses and affairs. Directors are accountable to the shareholders for the Company's performance. The Board ensures efficiency by:-



- Establishing the succession planning for the key Management teams,
- Conducting directors' assessment
- Conducting directors' selection
- Ensures Directors are adequately compensated for the risks and responsibilities they assume. Remuneration packages remain competitive to attract and retain talent while being links to performance
- Performing Board evaluation
- Ensures continuous Directors' Training & development

DIRECTORS' INDEPENDENCE

The Board has assessed the independence of non-executive Directors (including the Chairman) in light of their interests and relationships and considers all of them to be independent. The criteria considered in assessing the independence of non-executive Directors include that:

- § The Director is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder.
- § The Director is not employed, or has not previously been employed in an executive capacity by SOUTHERN CABLE Group of Companies, and there has been a period of at least three years between ceasing such employment and serving on the Board.
- § The Director has not within the last three years been a principal of a professional adviser or consultant to SOUTHERN CABLE Group of Companies, or an employee associated with the service provided.
- § The Director is not a significant material supplier or customer of SOUTHERN CABLE Group of Companies or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
- § The Director has no material contractual relationship with SOUTHERN CABLE Group of Companies other than as a Director.

It is considered that none of the interests of Directors with other firms or companies having a business relationship with SOUTHERN CABLE Group of Companies could materially interfere with the ability of those Directors to act in SOUTHERN CABLE Group of Companies' best interests. Material in the context of Director independence is generally speaking, regarded as being 5% of the revenue of the supplier, customer or other entity being attributable to the association with a SOUTHERN CABLE Group of Companies.

TENURE OF DIRECTORSHIPS

A Director must not hold office (without re-election) past the longer of the third Annual General Meeting or three years following that Director's last election or appointment.

This amendment brought the Constitution into line with the Continuous Listing Requirements on the issue of retirement of Directors. Retiring Directors are eligible for re-election. When a vacancy is filled by the Board during a year, the new Director must stand



for election at the next Annual General Meeting. The requirements relating to retirement from office do not apply to a managing director of the Company.

The cumulative term of independent directors is up to nine years. The Directors may continue to serve thereafter, but will be re-designated as non-independence directors.

The Directors believe that limits on tenure may cause loss of experience and expertise that are important contributors to the efficient working of the Board. As a consequence, the Board does not support arbitrary limits on tenure and regards nominations for re-election as not being automatic but based on the individual performance of Directors and the needs of the Company. Before the business to be conducted at the Annual General Meeting is finalized, the Board discusses the tenure of Directors standing for re-election in the absence of those Directors.

CONFLICTS OF INTEREST

Directors are required to declare the nature of any interest they have in business to be dealt with by the Board except as permitted by the Continuous Listing Requirements and the Company's Articles of Association. Directors shall leave Board Meetings and do not vote when business in which they are interested is considered conflict of interest.

INDEPENDENT ADVICE AND INDEMNIFICATION

After consultation with the Chairman, Directors may seek independent professional advice in furtherance of their duties at the Company's expense.

Pursuant to the Company's Constitution and agreements with Directors and to the extent permitted by the statutory law, the Company must indemnify Directors and executive officers against liabilities to third parties incurred in their capacity as officers of the Company and against certain legal costs incurred in defending an action for such a liability.

INVESTOR RELATION

The board of directors shall appoint an experience senior personnel (not necessary a member of board of directors) to represent the company in investor relation. The board of director also drafted and observed the disclosure and com