



**SIGNATURE INTERNATIONAL BERHAD
REGISTRATION NO. 200601034359 (754118-K)
BOARD CHARTER**

This Charter is developed to:

- provide clear statements of roles, responsibilities, processes and operations of the Board for the Board and management;
- ensure the practices of the Board are harmonised with the best practice of corporate governance; and
- incorporate the Principles and Practices of the Malaysian Code on Corporate Governance (“MCCG”), as considered appropriate, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”) on corporate governance, certain aspects of the Company’s Constitution and relevant provisions of the Companies Act 2016 insofar as the duties and responsibilities of Directors are concerned.

1. Size, Composition and Nomination

The size of the Board is stipulated in the Constitution of the Company. The size of the Board must commensurate with the range of credential, competencies, extensive experience, knowledge, views and, experience needed for effective functioning of the Board and the regulator’s requirement of independent directors.

Candidate for directorship will be nominated for appointment to the Board on the basis of their identified skills, knowledge and experience to meet the needs of the Company. This information will be communicated to members by the Nomination Committee to assist them in their decision whether to confirm the appointment of the nominated director.

In its selection of board members, the Board provides equal opportunity to all candidates who meet the criteria and other qualities. Thus, the Board acknowledges the importance to promote gender diversity and shall have at least one (1) woman director on the Board. The detailed profiles of nominated directors will be presented to Board by the Nomination Committee to assist the Board in their decision whether to confirm the appointment of the nominated directors. In identifying candidates for appointment of directors, the Board does not solely rely on recommendations from existing board members, management or major shareholders. The Board utilises variety of independent sources to identify suitably qualified candidates.

Each director should hold not more than five (5) directorships in listed issuers. Before accepting new appointment, directors shall notify the Chairman of the Board, the Chairman of Nomination Committee and the Company Secretary including an indication of time that will be spent on the new appointment.



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All new Directors appointed to the Board shall undertake an induction program coordinated by the Managing Director (“MD”) and Nomination Committee. For new Directors who are appointed for the first time as Directors of a listed issuer shall attend the Mandatory Accreditation Programme (MAP) prescribed by Bursa Malaysia Securities Berhad (“Bursa Securities”) within four (4) months from the date of appointment.

New Directors shall hold office only until next Annual General Meeting (“AGM”) at which they will retire but be eligible for re-election.

Pursuant to the Company’s Constitution, all Directors shall be subjected to retirement by rotation and be eligible to offer themselves for re-election. To enhance the Board’s effectiveness, the Nomination Committee is entrusted by the Board to appraise the retiring Directors to ensure they have the appropriate skills, experience, knowledge, expertise and time commitment, via a customised questionnaire and fit and proper considerations, before recommending to the Board.

2. Roles and Responsibilities of the Board

Broadly, all directors owe fiduciary duties to the Group and must exercise reasonable care, skill and diligence to ensure the proper management of the entity, including maximising long-term financial returns. The Board is responsible for ensuring that the Company and its subsidiaries (“Group”) are managed to achieve this result. The Board will direct and supervise the management of the business and affairs of the Group in the best interest of the shareholders including:

- i. Reviewing and adopting a strategic plan for the Group;
- ii. Overseeing the conduct of the Group’s business;
- iii. Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;
- iv. Management succession planning;
- v. Overseeing the development and implementation of shareholder communications policy for the Group;
- vi. Reviewing the adequacy and the integrity of the management information and internal controls system of the Group;
- vii. Ensuring 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;
- viii. Establishing and reviewing the policies and procedures on whistleblowing.

The Board may choose to delegate its authority to one or more of its Board Committees. This delegation of authority will be reflected in the terms of reference of the respective Board Committees.



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2.1 Strategic Functions

- **Strategic planning** : Reviewing and adopting the Group’s strategy plan, objectives, associated performance indicators and targets to ensure that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental, and social considerations underpinning sustainability.
- **Business planning** : Approving, adopting and monitoring the business plan including operating budgets, capital budgets, performance indicators and major projects including corporate restructures/ reorganisation, major capital expenditure, capital management, acquisition and divestitures and any significant initiatives or opportunities.
- **Funding** : Contributing to and approving a strategy for the Group funding, including funding targets, timelines and avenues and appropriately involving itself in liaison and communication with potential sources of funding.
- **Change management** : Overseeing the Group’s capacity to identify and respond to changes in its economic and operating environments (e.g. company strategies, business plan, major plans of action and risk management) by taking into account sustainability consideration.
- **Stakeholder liaison** : Appropriately involving itself in liaison and communication with key stakeholders.
- **Performance monitoring** : Overseeing the conduct and performance of the Group to ensure they are being properly and appropriately managed. To discharge this duty, the Board will give specific and regular attention to:
 - i. monitor performance against the strategic and business plans;
 - ii. monitor performance against peers and competitor companies; and
 - iii. enquire and follow up areas of poor performance and their causes.

2.2 Governance and Board Matters

- **Delegation of authority** : Reviewing, approving and, where appropriate, revising the delegations of authority from the Board to the management. These delegations must be clearly conveyed to empower the Executive Directors and the executive team to run the operations of the Group.



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- **Committees** : Overseeing the work of the Board Committees including determining the need for specific Committees, reviewing the need for those Committees on an ongoing basis, receiving reports from, reviewing the work of, and considering the recommendations made by each Committee.
- **Information needs** : Dictating its information needs to management including the form, timing, content and style of Board papers and ensuring these are fully addressed on an ongoing basis.
- **Management succession planning** : Ensuring that appropriate plans are in place for the succession of Senior Management including but not limited to the implementation of appropriate systems for recruitment, training and replacement of Senior Management.
- **Other matters** : Attending to corporate governance matters including the identification and nomination to the members of new Directors to fill Board vacancies and to any other matters identified as reserved to the Board.

2.3 Risk Management, Compliance and Internal Controls

- **Risk management** : Defining the Group's risk appetite, approving and overseeing the operation of the Group's corporate risk management framework, assessing its effectiveness, understanding and reviewing the major/ significant risks facing the Group and monitoring their management.
- **Internal controls** : Overseeing, reviewing and monitoring the operation, adequacy and effectiveness of the Group's reporting systems and the overall framework of internal controls established by management including operational, accounting and financial reporting controls.
- **Operational compliance** : Approving, reviewing and monitoring compliance with corporate policies.
- **Legal compliance** : Overseeing, reviewing and monitoring the operation of the Group's procedures to ensure compliance with relevant legislation is actively promoted within the Group. Attention shall also be given to privacy and occupational health and safety programs.
- **Reputation** : Being aware of and, where appropriate, reviewing any litigation, actions, transactions and issues, papers and reports to external/ third parties which impact on the Group and which may attract public, government, regulatory or other interest.



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- **Encourage the reporting of unlawful or unethical behavior** : Maintaining a firm stance in encouraging the reporting of unlawful or unethical behavior and ensuring that employees and management are assured of protection where violations are reported in good faith.
- **Anti-Bribery and Anti-Corruption** : Upholding Company's commitment to integrity and ethics and takes a strong stance against the use of corrupt activities.

2.4 Financial

- **Financial oversight** : Overseeing all aspects of the Group's financial position including giving specific attention to the quantum, nature and terms of the Group's debt facilities and its ability to meet its debts and other obligations as they fall due.
- **Financial reporting** : Approving the annual audited financial statements, the quarterly financial statements, and the theme and text of the Company's and Group's annual report.
- **Audit** : Selecting the Group's external auditors for approval by the members, approving the appointment of the internal auditors and their respective scopes of work.
- **Related party transactions** : Reviewing and monitoring all related party transactions to identify whether consideration should be given to seeking shareholders' approval and ensuring compliance with the market regulations.

2.5 Human Resource

- **Executive appointment and termination** : The appointment and dismissal of MD, Executive Director, Chief Financial Officer and Company Secretary.
- **Executive performance and development** : Ensuring an appropriate process is in place to recruit, review the performance of, remunerate, train and develop executives and to provide for management succession.
- **Executive compensation** : Reviewing and approving the compensation, equity and incentive schemes in place for the executives to ensure they are appropriate and competitive.
- **Ethical behavior**: Reviewing, approving and monitoring compliance with the Group Code of Ethics, which provides guidance regarding ethical behavior, including approving all proposed revisions or waivers.



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3. Position Description

3.1 The Chairperson

The Board is empowered by the Company to appoint a Chairperson. There must be division of roles between the Chairperson and MD. In the absence of the Chairperson, the Directors present must elect a Director present to chair the meeting.

The Chairman of the Board shall not be a member of the Board committees namely, Audit and Risk Management Committee, Nomination Committee and Remuneration Committee, to ensure there is check and balance as well as objective review by the Board.

The Role of the Chairperson

The role of the Chairperson is to ensure that the Board is functioning effectively and to undertake the following activities:

- provide leadership for the Board so that the Board can perform its responsibilities effectively;
- lead the Board in adopting and implementing of good corporate governance practices in the Group;
- lead board meetings and discussions;
- manage the interface between Board and management;
- ensure appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;
- set the board agenda and ensure that quality information to facilitate decision-making is delivered to Board members on a timely basis;
- encourage active participation and allow dissenting views to be freely expressed; and
- chair general meetings of shareholders.

3.2 MD

The key responsibilities of the MD are:

- develop strategic direction of the Group;
- ensure Board decisions are implemented and Board directions are responded to;
- provide directions in the implementation of short and long-term business plans;
- provide strong leadership; i.e. effectively communicating a vision, management philosophy and business strategy to the employees;
- keep Board fully informed of all important aspects of the Group's operations and ensure sufficient information is distributed to Board members; and
- ensure day-to-day business affairs of the Group are effectively managed.



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3.3 Independent Director

In accordance with Paragraph 15.02 of the Listing Requirements, at any one time, at least two (2) or one-third (1/3) of its Board, whichever is the higher, are Independent Directors. In the event of any vacancy in the Board, resulting in non-compliance with the above, the Board must ensure that the vacancy is filled within three (3) months from the date of occurrence of that event.

To foster greater objectivity in the boardroom, at least half of the Board shall compose of Independent Directors. An Independent Director must fulfill the provisions and definition of Independent Director of the Listing Requirements at all times and must declare their independence to the Board annually.

The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director. If the Board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

However, the tenure of an Independent Director in the Company or any related corporation of the Company shall not exceed a cumulative period of twelve (12) years from the date of his first appointment as an Independent Director.

Should the Board decide to appoint an Independent Director who had served as an Independent Director of the Company or any related corporation for more than twelve (12) years before and had observed the requisite 3-year cooling off period, the Board shall provide a statement justifying the appointment/nomination of the said Independent Director and explaining why there is no other eligible candidate in the announcement in relation to the appointment the said Independent Director and/or the notice of a general meeting.

The responsibilities of an independent director are:

- provide and enhance the necessary independence and objectivity to the Board;
- ensure effective checks and balance on the Board;
- mitigate any possible conflict of interest in policy-making process and the management of the Group;
- constructively challenge and contribute to the development of business strategy and direction of the Group; and
- ensure that adequate systems and controls to safeguard the interest of the Group are in place.



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4. Role of Individual Directors

The principal roles of individual Directors include, amongst others:

- review and adopt a strategic plan for the Company;
- oversee the conduct of the Company's business to evaluate whether the business is being properly managed;
- succession planning, including appointing, training, fixing the compensation of and, where appropriate, replacing Senior Management;
- develop and implement an investor relations programme or shareholder communication policy for the Company; and
- review the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

5. Relationship between the Board and Management

Subject to the formal delegations of authority, the Board delegates responsibility for the operation and management of the Group business to the MD and the management team. Management is accountable to the Board and is to fulfill this responsibility through the provision of reports, briefings and presentations on a regular basis throughout the year.

Other executive and top management shall attend Board meetings by standing invitation.

The Board will adopt appropriate structures and procedures to ensure it retains its independence and functions independently of management. This will include the Non-Executive Directors meeting in the absence of management on a schedule basis.

Independent Directors may communicate with members of the Senior Management team at any time. In the ordinary course, communications between the Independent Directors and the Senior Management should be through MD.

6. Formal Schedule of Matters Reserved for the Board's Decision

The Board reserves full decision-making powers on the following matters:

- Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- Strategic investments, mergers and acquisitions and corporate exercises;
- Limits of authority;



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- Treasury policies;
- Risk management policies; and
- Key human resource issues.

7. Investor and Stakeholder Liaison

The Board's investor and shareholder liaison objective is to ensure that there is effective communications with its shareholders, the financial communities and other stakeholders that fairly and accurately reflect the Group. This is to help the Group to achieve a fair market value for its securities and optimum cost of capital and at the same time to facilitate investors and potential investors to make informed investment decisions.

The Board's investor and stakeholders relations initiatives are designed and driven by the following principles:

- The Board will always report its financial results and material developments to Bursa Securities, its shareholders and other stakeholders in an open, timely and comprehensive manner;
- The Board will ensure that the Company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders;
- The Board will communicate only through its designated spokespersons;
- The Board will proactively address reports and rumors, so as to avoid unnecessary speculation in its securities;
- The Board will give reasonable access to analysts and the media to help them have informed opinions of the Group, but will not seek to influence those opinions or to give information that is not available to the general public;
- The Board will ensure shareholders have the information they require to make an informed decision on the appointment and re-appointment of a Director. The Board will also provide a statement as to whether it supports the appointment or re-appointment of the candidate and the reasons; and
- The Board will ensure that the AGM and Extraordinary General Meeting ("EGM") of the Company are conducted in an efficient manner to support meaningful engagement between the Board, Senior Management and shareholders.

8. Board Committees

The Board may from time to time establish appropriate Committees to assist it in the discharge of its responsibilities. However, the Board will not delegate any of its decision making authority to those Committees.



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The Board has established the following Committees:

- Audit and Risk Management Committee;
- Nomination Committee; and
- Remuneration Committee.

Each formally constituted Committee will have written terms of reference, approved by the Board. Formal minutes of each Committee meeting will be prepared and circulated to each of the Directors within the time frame set out in the relevant Committee's terms of reference, together with a clear list of recommendations and/or other matters and issues for the consideration of the full Board at the next Directors' meeting.

Where a Committee meeting is necessarily held a short time in advance of a Board meeting, for example where the Audit and Risk Management Committee completes its review of the financial statements only shortly in advance of the Board meeting to approve those accounts, the Board will accept a verbal report from the Chairperson of the Committee. However, this must be followed by formal written minutes within the prescribed timeframe.

The Board has sole responsibility for the appointment of Directors to Committees taking into account the needs of the Committees, legislative requirements, skill sets and the experience of the individual Directors.

The role, function, performance and membership of each Committee will be reviewed on an annual basis as part of the Board's appraisal process.

9. Meetings and Minutes

Board meetings are held at least 4 times annually. The agenda for each meeting is dictated by the needs of the Board and the matters set out in the annual agenda for attention at a particular meeting.

Additional Board meetings can be convened by the Company Secretary at the request of any Director at any time by giving all Directors at least seven days' notice in writing. A meeting may, with the consent of all Directors, be convened with shorter notice.

Personal attendance of Board members at meetings is preferred. But, the Board and Board Committees may hold meetings at two or more venues using any technology (for example: teleconferencing and videoconferencing) that gives all members of the Board or the relevant Board Committee a reasonable opportunity to participate in the meeting.



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In addition to the above, subject to relevant laws and guidelines, the following should be observed by Board:

- to meet on quarterly basis, but in any event, not less than once in every three (3) months, or wherever deemed necessary;
- all directors must attend at least 50% of the Board meetings held in each financial year or such other percentage as may be prescribed by the Listing Requirements;
- the quorum of the meetings shall be met pursuant to the Constitution of the Company;
- the participation of the director can be facilitated by means of video or telephone conferencing;
- head of the respective division units and relevant management personnel may be invited to attend the Board meetings;
- the Company Secretary shall be appointed as Secretary of the Board Meeting and minutes of meetings shall be taken and documented; and
- information should be supplied to the directors at least seven (7) days prior to the meeting in order for them to discharge their duties.

In lieu of meeting, the Board is allowed to carry out resolutions by way of circulation in accordance with the provisions of the Constitution of the Company.

10. Access of Information and Resources

The Board shall:

- have complete, adequate and timely information prior to Board meetings and on an ongoing basis;
- have the resources required to perform its duties;
- whether as a full Board or in the individual capacity have full and unrestricted access to any information and documents pertaining to the Group;
- whether as a full Board or in the individual capacity be able to obtain independent professional or other advice at the expenses of the Group through an agreed procedure laid down formally; and
- have full and unrestricted access to the advice and services of the Company Secretary.

11. Continuing Education Program and Training

Directors are expected to undertake continuing professional education to enable them to discharge their duties effectively. While management, Company Secretary, Internal and External Auditors will brief the Board on changes in legislative, regulatory or industry framework which impact the Group, this is not a substitute for the Directors' efforts to seek continuous knowledge of the changes in the market regulations.



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Based on the result of appraisal, the Nomination Committee would assist the Board to undertake an assessment of the training needs of each director.

All trainings attended by Directors shall be disclosed in the Annual Report. In special circumstances, valid justifications for non-attendance at any training by Directors for the financial year shall also be disclosed.

12. Performance Appraisal

The Board reviews and evaluates individual directors' performance, its own performance and the performance of its Committees at least annually based on the report of the Nomination Committee.

13. Remuneration

The Board will consider for adoption a remuneration policy established by the Remuneration Committee designed to enhance corporate and individual performance. The level of remuneration will be designed to attract and maintain talented and motivated Directors and employees. Executive Directors are remunerated based on the Group's performance whilst the remuneration of the non-executive directors is determined in accordance with their and the level of responsibilities assumed.

The maximum amount of annual fees to be paid to directors will be recommended by the Board and subject to ordinary resolution of the shareholders.

Fees payable to non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

In fixing the remuneration to be paid to Directors who are not employees of the Group for serving on the Board and on Committees of the Board, the Board will consider the following:

- The compensation that is paid to Directors of other companies which are comparable in size to the Group.
- The amount of time it is likely Directors will be required to devote in preparing for and attending meetings of the Board and the Committees on which they serve.
- If a Committee on which a Director serves undertakes a special assignment, the importance of that special assignment to the Group and its shareholders.
- The risks involved in serving as a Director and a member of Board Committees.



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14. General Meetings

The Company regards the Annual General Meeting (“AGM”) as an important event in the corporate calendar of which all Directors and key senior executives should attend.

The Company regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective, transparent and regular communication with, and constructive feedback from, the Company's shareholders.

The Chairman encourages active participation by the shareholders during the AGM.

The Chairman and, where appropriate, the MD respond to shareholders’ queries during the meeting. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.

To keep the media informed, the Group will disseminate copies of the annual report to all relevant press and hold a press conference immediately following the AGM itself at which time the MD will brief those present on details of the financial year results.

The Directors will consider requisitions by shareholders to convene an EGM or any other urgent matters requiring immediate attention of the Company.

15. Conflict of Interests and Transaction involving Directors

Directors are required to take all reasonable steps to avoid actual, potential or perceived conflict of interests with the Group’s interest.

Conflict may arise from the interest (direct or indirect) of a director, member or major shareholder or person connected with such director, member or major shareholder in a transaction proposed to be entered into or action/decision to be taken by the Company or its subsidiaries.

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 2016. The Director concerned shall not participate in deliberations and shall abstain himself from voting in any matter arising thereof.

Should there be actual, potential or perceived conflict of interest between the Company or a related corporation and a director, or a person connected with director such as a spouse, other family member, or a related company, the interested director (direct or indirect) shall make full disclosure in bona fide and act honestly in the best interest of the Group and shall



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not participate in deliberations and shall abstain himself/herself from casting his/her votes in any matter arising there from.

Directors can be regarded as having a conflict of interest where the company, he or she is associated with derives an advantage from him being a Director. A director is required at all times to declare such conflict and if so required by the Board, to withdraw from any voting or deliberation of a matter in which the Director or member may have an interest.

For Director who is appointed by virtue of his position as a representative of a shareholder, must act in the best interest of the Group. In the event of any conflict between his duty to act in the best interest of the Group and his duty to his nominator, he must not subordinate his duty to act in the best interest of the Group to his nominator.

16. Indemnity and Insurance

The Board is responsible to consider appropriate insurance policy to mitigate liabilities of directors and officers holding office in the Group.

17. Publication of the Board Charter and Committee Charters

The Charter will be available to all Directors. A copy of this Charter shall be published on the Company's website.

18. Review of the Board Charter

The Board will review this Charter and the terms of reference of its Committees periodically and make any necessary or desirable amendments to ensure they remain consistent with the Board's objectives, current regulation requirements and governance best practice. Changes of the provisions in the Charter shall be approved by the Board with a resolution.

This Charter is reviewed and approved by the Board on 29 June 2018 and updated on 23 August 2022.