



ORIENTAL FOOD INDUSTRIES HOLDINGS BERHAD
Company No. 199601017418 (389769-M)

BOARD CHARTER

1. INTRODUCTION

This Board Charter ("Charter") has been adopted by the Board of Directors ("Board") of Oriental Food Industries Holdings Berhad ("the Company") and its subsidiaries ("the Group") in accordance to the Malaysian Code of Corporate Governance 2017 ("MCCG 2017").

The Board strives to collectively lead and is responsible for the success of the Group by providing entrepreneur leadership and direction as well as management oversight. The Board acknowledges that it is the ultimate decision making body of the Group.

The Board believes that strong corporate governance is essential for delivering sustainable value, enhancing business integrity and maintaining investors' confidence towards achieving the Group's corporate objectives and vision.

This Charter sets out the composition, roles, responsibilities and processes of the Board and is to ensure that all Board members acting on behalf of the Group are aware of their duties and responsibilities as Board members.

This Board Charter has been endorsed by the Board and is subject to review by the Board from time to time, to ensure the Group remains at the forefront of best practices in corporate governance.

2. Board Composition, Size and Tenure

- The Board of Directors ("the Board") is responsible to determine its optimum size in order to carry out its responsibility and authority effectively and efficiently. As set out in the Company's Constitution, unless otherwise determined by the Company at the general meeting, the number of Directors shall not be less than two (2) and not more than fifteen (15).
- The Board, together with the Nomination Committee, determines the size and composition of the Board, subject to the terms of the Company's Constitution.
- The nomination and election of new Director is governed by structured nomination and election process and delegated to NC with ultimate responsibility and authority lies with the Board.
- The evaluation of the potential candidate for new directorship and director nominated for re-election are delegated to Nomination Committee with recommendation being made to the Board for decision.
- In order to assert independence element and check and balance role to the Board, at least one third (1/3) of the board (whichever is higher), shall comprise of Independent Directors, in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Main LR") and with a broad range of skills, expertise and experience from a diverse range of backgrounds.
- The Board, together with the Nomination Committee, will review as to whether the current Board consist of qualified individuals of different range of skills, experiences and backgrounds and the size of the Board is such that it facilitates the making of informed and critical decisions for the Group.
- The Board is to be chaired by an Independent and Non-Executive Director, appointed by the Board and is responsible for the governance, orderly conduct and effectiveness of the Board.
- The Chairman represents the Board to the shareholders and to act as facilitator at the meetings of the Board and ensure that no board member dominates the discussion, and that appropriate discussion takes place and that relevant opinion among Board members are forthcoming.
- The Group Managing Director and the Chief Executive Officer of the Company shall be members of the Board.



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- Both the Group Managing Director and the Chief Executive Officer are responsible to ensure proper execution of the strategic goals and effective operation within the Group.
- The retirement and re-election of directors are in accordance to the Company's Constitution, which provides that at the Annual General Meeting of the Company, one-third (1/3) of the Directors for the time being or if their number is not three (3) or multiples of three (3), the number nearest to one-third (1/3) shall retire from office and be eligible for re-election, provided always that Directors are to retire from office once at least in each three (3) years, but are to be eligible for re-election. The Directors to retire are to be those who have been longest in office since their last election. A retiring director shall retain office until the close of meeting at which he retires.
- Following the recommendation by the Malaysian Code of Corporate Governance 2017 ("MCCG 2017"), the tenure of an Independent Director is not to exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve the Board subject to the shareholders' approval at the Annual General Meeting of the Company. The re-election of an Independent Director who has served beyond twelve (12) years will be via a two-tier voting process for approval.
- The independence of any director who has served on the board beyond nine (9) years from the date of his first appointment will be subject to review. The Board via the Nomination Committee will conduct an annual performance evaluation and assessment of the Independent Directors based on the justification that they have fulfilled the criteria under the definition on Independent Directors as stated in the Main LR, and therefore is able to bring independent and objective judgement to the Board, understand the Company's business operations which enable them to participate actively and contribute during deliberations or discussions at the Meetings, have contributed sufficient time and efforts and attend all Meetings for informed and balanced decision making; and the Independent Directors have exercised due care and diligence during their tenure as Independent Directors of the Company and carried out their fiduciary duty in the interest of the Company and shareholders without being subject to influence of management.

3. Independence of Directors

- The Board will review the independence of each Independent Director based on the information relevant to the assessment as disclosed by each Independent Director.
- The Board has adopted a definition of independence as set in the Main LR whereby it considers the directors to be independent where they are independent of the management and free of 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.
- Annual evaluation of the Board's Independence will be performed by the Nomination Committee.

4. Board's Role and Responsibilities

The Board is responsible for the proper stewardship of the Group to provide reasonable assurance for the success of the Group in a sustainable manner. The Board is tasked with realisation of long term and sustainable shareholders' value and safeguarding the interests of stakeholders.

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

- Promote good corporate governance and compliance within the Group;
- Oversees the conduct of the Group's businesses and evaluate whether or not the businesses are being properly managed;



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- Review and ensure that the Group's mission, strategies and business objectives are met;
- Ensuring that there are adequate controls and systems in place to facilitate the implementation of the Group's policies;
- Understanding the principal risks of the businesses in which the Group is engaged in and ensuring that proper systems are in place to effectively monitor and manage these risks;
- Reviewing 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;
- Be kept abreast and advised on related party transactions and conflict of interest issues;
- Approve the appointment of external auditor and review their audit plan and audit fees;
- Review and approve financial reports, deliberate on proposals presented and recommended by the Board Committees;
- Avoiding conflicts of interest and ensuring disclosure of possible conflicts of interest;
- Upholding and observing relevant laws, rules and regulations in the carrying out and performance of its functions.

5. Directors Remunerations

The Board assumes the overall responsibility to establish and implement effective remuneration policy for the members of the Board ("Board Remuneration Policy") in pursuit of the medium to long term objectives of the Group. The responsibility of the implementation of this Board Remuneration Policy is delegated to Remuneration Committee, which is governed by the terms of reference approved by the Board.

6. Separations of Functions of Chairman, Group Managing Director and Group Chief Executive Officer

To ensure balance of authority, increased accountability and a greater capacity for independent decision-making, the roles of Chairman, Group Managing Director and Group Chief Executive Director are distinct and separate with a clear division of responsibilities. This is to ensure that no one has unfettered powers in the decision-making process.

The Board delegates to the Group Managing Director and Group Chief Executive Officer all powers to manage the day-to-day business of the Group. The Group Managing Director is supported by his direct report which is the Group Chief Executive Director, Executive Director and the Group Senior Management.

(a) Role of the Chairman

The Chairman of the Board shall be appointed by the Board and shall be independent and non-executive director who is responsible for the governance, orderly conduct and effectiveness of the Board.

The responsibilities of the Chairman, amongst others are as follows:

- Taking the chair at Board meetings;
- Provide leadership to the Board and ensuring its effectiveness of all aspects of its role;
- Ensuring the proper conduct of the Board;



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- Maintaining proper shareholder relations through the Annual General Meetings and Extraordinary General Meetings;
- Ensuring that the Board plays an active role in strategic reviews;
- Ensuring that probity is maintained in accounting, reporting and all other respects;
- Deciding, together with the Group Managing Director and Group Chief Executive Officer as to matters that should be the concern of the Board, and which are purely management matters, to be left to the Top Management;
- Ensuring effective communication with shareholders and relevant stakeholders.

The Role of the Group Managing Director

The responsibilities of the Group Managing Director, amongst others are as follows:

- The conduit between the Board and the Management in ensuring the success of the Group's governance and management functions;
- Manage and administer the day-to-day operations and running of the Group and its business in accordance with the shared values, strategy, business plans and policies approved by the Board;
- Implements the policies, strategies and decisions adopted by the Board;
- Develop strategies for the Group to maintain a strong balance sheet and sound credit rating;
- Leads the Research and Development ("R&D") Team;
- Assigns responsibilities and supervises his direct reports;
- Exercise such additional powers as are delegated to the Group Managing Director by the Board from time to time.

The Role of the Group Chief Executive Officer

The responsibilities of the Group Chief Executive Officer, amongst others are as follows:

- Assist the Group Managing Director in the managing and administering of the day-to-day operations and running of the Group and its business in accordance with the shared values, strategy, business plans and policies approved by the Board;
- Reports regularly to the Board with accurate, timely and clear information, such that the Board is fully informed to discharge its responsibilities effectively;
- Developing strategic direction;
- Ensuring strategies and corporate policies are effectively implemented;
- Ensuring Board decisions are implemented and Board directions are acted on;
- Providing directions in the implementation of short and long term business plans;
- Keeping the Board fully informed of all important aspects of the Group's operations and ensuring sufficient information is distributed to Board members;



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- Ensuring the day-to-day business affairs of the Group are effectively managed;
- Determining appropriate levels of remuneration for all level of employees;
- Exercise such additional powers as are delegated to the Group managing Director by the Board from time to time.

7. Role of the Company Secretary

The Board is to be supported by qualified Company Secretary who is suitable and competent of carrying out the duties of the position.

The Board as a whole is responsible for appointment and removal of Company Secretary.

The Company Secretary of the Group is responsible for the compliance of listing and related statutory obligation, recording of minutes as well as one of the sources of information and provide advice to the Board and relevant board committees on issues relating to compliance with laws, rules, procedures and regulations that may affect the Group.

Apart from the above, the other primary responsibilities of the Company Secretary shall include:

- Advise the Board on matters related to Corporate Governance and the Listing Requirements;
- Arranging meetings of the directors and the shareholders;
- Ensuring the necessary registers are established and properly maintained and that the company's financial records are maintained, and reports prepared in accordance with the requirements of the law;
- Ensuring records of members' and directors' meetings are kept in compliance with requirements of the law;
- Understanding and ensuring that the company complies with its statutory obligations, including continuous disclosure;
- Issue of proper notices of meetings, preparation of agenda, circulation of relevant papers and taking and producing minutes to record the business transacted at the meetings and the decisions taken.
- Ensuring the proper observation of the Board procedures and applicable rules;
- Facilitating the training, professional development of the Directors and the induction programme for new Directors;
- Assisting the communications between the Board and Management.
- Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.

8. Board Committee

To assist the Board to discharge its duties and responsibilities, the Board has delegated certain functions to the committees of the Board.



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These board committees operate under the defined Terms of Reference and under the supervision of the Chairman of these board committees. The Chairman of the Committee will report to the Board during the board meetings on the matters that require the board's attention.

The following committees has been established:

(a) Risk Management and Audit Committee ("RMAC")

The RMAC assists and supports the Board's responsibility of overseeing the Group's operations by providing a means for review of the Group's processes for producing financial data, its internal controls, risk management activities and independence of the Group's external and internal auditors.

The terms of reference of the RMAC are detailed at <http://www.ofih.com.my/investor-centre/>.

(b) Nomination Committee ("NC")

The NC oversees matters related to the nomination of new Directors, annually reviewing 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 as well as identifying candidates to fill board vacancies, and nominating them for approval by the Board.

The terms of reference of the NC are detailed at <http://www.ofih.com.my/investor-centre/>.

(c) Remuneration Committee ("RC")

The RC is primarily responsible for recommending to the Board the remuneration framework for Directors as well as reviewing the remuneration package for Group Managing Director, Group Chief Executive Director, Executive Director and Senior Management.

The terms of reference of the RC are detailed at <http://www.ofih.com.my/investor-centre/>.

9. Board Activities and Processes

(a) Board Meetings

The Board shall conduct meetings at least four (4) times a year or more frequently as circumstances dictate. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Board no later than seven (7) days before the date of meeting or any other period deemed acceptable by the member of the Board.

Reasonable time should be given for Board members and to other attendees as appropriate, to consider all relevant papers and materials prior to the Board meeting.

Chairman of the Board meeting shall be the Chairman to the Board and in the absence of the Chairman in any meeting, the remaining members present shall elect one of themselves to chair the meeting in accordance with the provisions set out in the Company's Constitution.

The quorum for meetings shall be two (2) members in accordance to Company's Constitution. A duly convened meeting of a Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion vested in or exercisable by the Board.

The Board may invite external parties such as the management personnel, auditors, solicitors or consultants to brief and clear the Directors' doubt or concern as and when the need arises. The external parties invited may attend part or all of the Board Meeting at the discretion of the Board.



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The Company Secretaries of the Company shall record minutes of the meetings for circulation to the Committee members which will be confirmed and signed by the Chairman of the meeting as correct proceedings thereat in the next scheduled Board meeting unless otherwise determined.

The Board may also deal with matters by way of written resolutions.

(b) Directors' Training

The Board recognises the importance of continuous education of its members in order for its members to discharge their responsibilities and duties effectively.

On an annual basis, all Directors are required to attend internal and external training courses to increase their knowledge relevant to their role and responsibilities as a member of the Board or Board Committees.

(c) Board, Board Committee and Member Assessments

The Board delegated the annual assessment of effectiveness of the Board as a whole, individual members and its Board Committees to the Nomination Committee. The Nomination Committee is required to carry out the assessments, at least once in each financial year, in accordance with the structured assessment process established by the Board and to report annual assessment of the full Board.

(d) Access to Information and Independent Professional Advice

The Board has unrestricted access to the advice and services of the Company Secretaries and the Management on matters relating to the Group's interest.

In discharging the Board's responsibility, the Board collectively is entitled to obtain independent professional advice on matter in furtherance of the Directors' duties at the Company's expense.

10. Relationship of the Board with the Management

Board members should be given unrestricted access to the Group's management. Any contact with the Group's management shall be made through the Group Managing Director or Group Chief Executive Officer in order to minimise the disruption to the day-to-day operations of the Group.

11. Relationship with Shareholders and Investors

The Board shall ensure effective communication of the information on operations, activities and performance of the Group to the Shareholders and other stakeholders via the following channels:

- The Annual Report which consist of the financial and operational review of the Group's business, corporate and financial information, and the information on the Board and Committees;
- Announcements made to Bursa Malaysia [<http://www.ofih.com.my/investor-centre/>]; and
- Company website [www.ofih.com.my & www.jacker.com.my] and Social Media platforms [i.e. Facebook and Instagram] which contain information of the company such as company background, range of products, corporate information, investor relations and other activities.

12. Review of The Charter

The Board Charter shall be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. Subsequent amendment to the charter shall only be approved by the Board.