



ASIA FILE CORPORATION BHD. (313192-P)
(Incorporated in Malaysia)

BOARD CHARTER

Introduction

The Board of Directors (“Board”) of Asia File Corporation Bhd (“Company”) acknowledges the importance of good corporate governance in protecting and enhancing the interest of shareholders. The Board has overall responsibility for the proper conduct of the Company’s business and assumes responsibility of effective stewardship and control of the Company.

Purpose

This Board Charter sets out the authority, functions, role, composition and responsibilities of the Board to assist the Board in the performance of their fiduciary duties as directors of the Company. It will also assist the board in the assessment of its own performance and of its individual Directors. This charter is available on the Company’s website at: www.asia-file.com

Roles and Responsibilities of the Board

The Board is responsible towards the strategic planning, overseeing the resources and the overall operation of the Group.

The principal roles and responsibilities of the Board in enhancing Board’s effectiveness in pursuit of corporate objectives encompass the following specific areas:-

- review and adopt strategic plan;
- oversee the conduct of the Group’s businesses;
- identify principal risk areas and ensuring that appropriate risk management system is in place to address the above risks;
- succession planning for senior management staff;
- developing and implementing investor relations program and shareholders communication policy; and
- review the adequacy and integrity of the internal control and management information system.

The Board may establish other responsibilities as it deems fit to ensure that it is able to fulfil its role effectively.

Board Balance and Independence

The Company’s Article of Association stipulates a minimum of three (3) and a maximum of fifteen (15) Directors.

The Board should comprise of executive and independent non-executive directors whereby at least one-third (1/3) of the Board should consist of Independent non-executive directors to ensure balance of power and authority on the Board. The independent non-executive directors provide a strong independent element on the Board.

Appointment and Re-election

In accordance with the Memorandum and Articles of Association of the Company, at least one-third of the Directors shall retire from office each year at the Annual General Meeting and all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

Performance Evaluation

The Board assesses the independence of the Directors annually by having regard to the criteria adopted for assessing the independence of Directors. The Board would apply these criteria upon admission, annually and when any new interest or relationship develops.

Board Committees

To ensure the effective discharge of its fiduciary duties and to enhance business and operational efficiency, the Board delegates specific responsibilities to the following committees.

- Audit Committee; and
- Nomination Committee.

All committees have written terms of reference. The functions and terms of reference of Board Committees are reviewed from time to time to ensure that they remain relevant. The Board also reviews the minutes of the Board Committees' meetings presented at Board meetings.

The Chairman of the respective Committees will report and update the Board on significant issues and concerns discussed and where appropriate, make the necessary recommendations to the Board.

Board Meetings

The Board shall meet at least four (4) times a year and with additional meetings convened as the need arises.

Notice of meetings setting out the agenda and accompanied by the relevant Board papers are distributed to the Directors to enable them to peruse and if require to obtain further information on issues to be deliberated.

Access to Information

Members of the Board are given unrestricted access to the advices and services of the Company Secretary and other professional advisors in discharging their duties and responsibilities at the expense of the Group. All corporate announcements including quarterly financial results will be reviewed and approved by the Board prior to any announcement being made to the Bursa Malaysia Securities Berhad.

Review of the Board Charter

The Board shall review the Board Charter periodically and make necessary amendments as and when the Board deems necessary.