



# SKYECHIP BERHAD

Registration No. 201901014484 (1323812-D)  
(Incorporated in Malaysia)

## Board Charter

## Revision History

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02				

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## 1. PREAMBLE

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- 1.1 The enhancement of corporate governance standards is vital towards the achievement of the objectives of transparency, accountability, integrity and effective performance for SkyeChip Berhad (“**SkyeChip**” or “**Company**”) and its subsidiary(ies) (collectively, “**SkyeChip Group**” or “**Group**”). Accordingly, this Board Charter (“**Charter**”) is established with the aim of enshrining the concepts of good governance as stated in the MCCG and the MMLR (as hereinafter defined).
- 1.2 This Charter is to promote high standards of corporate governance and is designed to provide guidance and clarity for the directors of the Company (“**Directors**”) and management of the Company with regards to the role of the Board (as hereinafter defined) and its committees, the requirements of the Directors in carrying out their role and in discharging their duties towards the Company as well as the Board’s operating practices.
- 1.3 This Charter serves as a reference point for the Board’s activities and should not be construed as a blueprint for the Board’s operations.
- 1.4 Just as each organisation has its own corporate culture, the dynamics of each Board is unique. The dynamics shift as the composition of the Board changes, and the Directors should always be open to new opportunities and ready to confront new challenges brought about by change.
- 1.5 This Charter does not overrule or pre-empt the statutory requirements of Directors as enshrined in the Act (as hereinafter defined), the Income Tax Act 1967 and other relevant statutes, including the conduct of the Board as stipulated in the Constitution of the Company (“**Constitution**”). To the extent of any conflict between the terms of this Charter and the Constitution, the Constitution shall prevail.
- 1.6 The SkyeChip Vision, Mission and Core Values guide the Group’s approach in strategic planning as well as sustain good governance and business responsibility in creating values for all stakeholders.

### SkyeChip Vision & Mission

Delivering Cutting-edge Silicon IP and Custom ASIC solutions for deep learning and high-performance computing

### SkyeChip Core Values

T - Teamwork  
O - Open communication  
P - Partnership for success  
R - Results orientation  
E - Excellence through quality and innovation  
V - Value of employees

## 2. INTERPRETATION

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### 2.1 In this Charter:

“**Act**” means the Companies Act 2016 and any amendments made thereto from time to time.

“**Audit & Risk Management Committee**” or “**ARMC**” means the Audit & Risk Management Committee of the Company.

“**Board**” means the Board of Directors of the Company.

“**Board Committees**” means collectively, the Audit & Risk Management Committee, Nomination Committee and Remuneration Committee.

“**Bursa Securities**” means Bursa Malaysia Securities Berhad.

“**Business**” means the business of the Group.

“**Chairman**” means the chairman of the Board.

“**CEO**” means the Chief Executive Officer of the Company and who may or may not be a member of the Board.

“**CFO**” or “**Chief Financial Officer**” means the person primarily responsible for the management of the financial affairs of the Company (such as record keeping, financial planning and financial reporting), by whatever name called, and who may or may not be a member of the Board.

“**Company Secretary**” means the Board secretary(ies) or the person(s) normally exercising the functions of a Board secretary.

“**Constitution**” means the Constitution of the Company.

“**Executive Director**” or “**ED**” means a Director who is also a paid employee of the Group and is involved in the day-to-day management of the Group.

“**Independent Director**” or “**ID**” is defined in accordance with Paragraph 1.01 and Practice Note 13 issued of the MMLR.

“**Key Senior Management**” or “**KSM**” refers to a person, who in the opinion of SkyeChip, is one who generally holds highest level of management responsibility and decision-making authority within the Group and must include a person who is primarily responsible for the business operations of the Company’s core business and principal subsidiaries. Essentially, KSM is a member of the C-Suite or persons as identified as KSM.

“**MCCG**” means the Malaysia Code on Corporate Governance revised and updated on 28 April 2021 by the Securities Commission Malaysia.

“**MMLR**” means the Main Market Listing Requirements of Bursa Securities.

“**Nomination Committee**” or “**NC**” means the Nomination Committee of the Company.

“**Management**” means the management personnel of the Company.

“**Remuneration Committee**” or “**RC**” means the Remuneration Committee of the Company.

“**Shareholders**” means holders of the Company’s shares.

All terms used herein are in a gender-neutral sense.

### 3. OBJECTIVES OF THE BOARD

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- 3.1 The Board is accountable to the Shareholders and is responsible for the stewardship of the Business and affairs of the Group on behalf of the Shareholders. Significantly, the Board shall seek to ensure that the Business objectives of the Group are aligned with the expectations of Shareholders with a view to enhancing long-term Shareholders value whilst considering the interests of other stakeholders and maintaining high standards of transparency, accountability and integrity.
- 3.2 Additionally, the Board warrants that the operations of the Group are being effectively managed in a manner that is properly focused on those Business objectives, conforming to regulatory and ethical requirements as well as maintaining high standards of transparency, accountability and governance.

### 4. ROLE OF THE BOARD

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- 4.1 The Board’s role is to provide leadership of the Group within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board has delegated certain responsibilities to the Board Committees which operate in accordance with terms of reference approved by the Board and delegated the day-to-day management of the Business of the Group to the EDs, Management and executive officers subject to an agreed authority limit.
- 4.2 The principal responsibilities of the Board including those adopted from the MCCG are to:
- (a) review and adopt a strategic plan for the Group to ensure sustainability of its Business and Group operations and to support long-term value creation;
  - (b) oversee, together with management, the governance on sustainability including setting strategies, priorities and targets on economic, environmental and social considerations and communication of the same (including performance against targets) to internal and external stakeholders;
  - (c) identify a designated person within management to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations into the operations of the Group;
  - (d) oversee the conduct of the Group’s Business to evaluate whether the Business is being properly managed (which includes managing conflicts of interest, preventing the abuse of power, fraud, bribery and corruption, insider trading and money laundering);

- (e) identify principal risks and recognise that business decisions involve taking appropriate risks, determine risk appetite within which the Management is to operate and ensure the implementation of the Risk Management Framework (incorporating mitigation measures) to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- (f) ensure that all members of the Board and the Management team are of sufficient calibre and oversee succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing Board members and the KSM;
- (g) oversee the development and implementation of an investor relations programme or stakeholder communication policy for the Group;
- (h) review the adequacy and the integrity of the Group's risk management, internal control systems and management information systems, including systems / reporting framework for compliance with applicable laws, regulations, rules, directives and guidelines;
- (i) assure both internal and external stakeholders that the Group is operating in compliance with its policies and any other applicable regulatory requirements. This includes establishing a "tone from the top" and spearheading the Group's efforts to improve on its corruption risk management framework, internal control system, review and monitoring as well as training and communication;
- (j) review periodically an anti-corruption compliance program which includes clear policies and objectives that adequately addresses corruption risk;
- (k) review periodically the Whistleblowing Policy to encourage reporting of any legitimate concern in relation to breach of legal obligation, unlawful conduct, miscarriage of justice, financial malpractice or danger to the public or environment or any suspected and / or real corruption incidents, including any cover-up of any of these conducts in the workplace;
- (l) review and accept the investigative outcome of any whistleblowing matters, results of fraud, illegal acts or suspected violations of Group policies involving all employees, Management and Directors;
- (m) determine the remuneration of non-Executive Directors, with the individuals concerned abstaining from discussions of their own remuneration;
- (n) ensuring the integrity of the Company and the Group's financial and non-financial reporting particularly that the Company's financial statements are true and fair and conform with the laws;
- (o) reviewing periodically the Code of Conduct and Ethics to ensure alignment with changes in law and governance practices with the Group's vision, mission and business plan;
- (p) ensure that the Company has in place the appropriate corporate disclosure procedures to ensure effective communication with its shareholders and other stakeholders; and
- (q) together with the KSM, ensuring that the Company and the Group adhere to high standards of ethics and corporate behaviour which reinforced elements of ethics, prudence and professionalism.

- 4.3 In overseeing the conduct of the Group's business, the Board shall ensure that an appropriate financial planning, operating and reporting framework as well as an embedded risk management framework is established. Elements under this combined framework include the business plan, budget, financial statements, divisional strategic/performance review reports and risk management reports.

## 5. BOARD STRUCTURE

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### 5.1 Board Balance and Composition

- (1) The Board recognises the significant representation by Directors who are capable and willing to make Business decisions and judgement in the best interest of the Group and free from influences which would give rise to conflict of interest with that duty and are also independent of Management. The Board deliberation and decision-making process should be independent and objective.
- (2) The Board should be of a size and composition with the benefit of diversity in extensive experience, cultural backgrounds, age, gender, perspectives, competencies, knowledge and skills that is conducive to effective decision making and effective discharge of its roles and responsibilities for the benefit of the Group and its Business.
- (3) It is also important for the Board to keep its size at a reasonable level (notwithstanding the fact that the Company's Constitution and subject to the MMLR allows a minimum of two (2) and a maximum of eleven (11) Directors (disregarding alternate Directors but including EDs). Boards that are too small or too large may significantly limit the level of individual participation, involvement and effectiveness. The Board shall from time to time examine its size with a view to determine the impact of its number upon its effectiveness.

In the event of any vacancy in the Board, resulting in non-compliance with clause 5.1[3] above, the Company must fill the vacancy within 3 months.

- (4) The Board recognises the need for the composition to reflect a range of skill mix and expertise. The appointment of a new member to the Board (as well as for those who retire and offer themselves for re-appointment or re-election) is only made after consultation with the NC.

It is of importance to the Board that to ensure high levels of professional skills and appropriate personal qualities (relevant skills, character and integrity, experience and competence, expertise as well as time and commitment) are prerequisites for such candidates. Without limiting the generality of the foregoing, the qualifications for Board membership are described under item 6.7 in this Charter.

- (5) The Board recognises the need for an appropriate balance between EDs who possess extensive direct experience and expertise in the core Business activities and day-to-day operations of the Group, and Non-Executive Directors who have outstanding track records and reputation attained at the highest levels of business, professional practice and commerce generally, and who are able to bring to the Board a board range of general commercial expertise and experience.

- (6) The Board shall endeavour to maintain at least 30% female directors. The NC shall ensure that women candidates are sought during its recruitment exercise and consider gender diversity in its recommendation to the Board. Evaluation of suitability of any candidate is based on the criteria as stipulated to ensure that the candidate brings value and expertise to the Board.
- (7) The Board will also ensure that its Board Diversity Policy for the Board and KSM is disclosed in the annual report.
- (8) A Director should inform the Board's chairman before he/she accepts any new directorships in public listed companies or other companies, which may give rise to potential conflict of interest. Each Board member must not hold directorships at more than five (5) listed issuers.
- (9) All Directors shall disclose and declare the nature and extent of any conflict of interest or potential conflict of interest including interest in any competing business that they have with the Company or its subsidiaries.

## 5.2 **Role of the Chairman**

- (1) The Board shall appoint from among its members a Chairman who represents the Board to carry out a leadership role in the conduct of the Board and its relations with the shareholders.
- (2) The position of Chairman shall be held by a Director who is not the CEO nor a member of the Board Committees.
- (3) The Chairman is primarily responsible for:
  - (a) leading the Board in its collective oversight of the Management so that the Board can perform its responsibilities effectively;
  - (b) leading the Board in setting the values and standards as well as the adoption and implementation of good corporate governance practices in the Group;
  - (c) maintaining a relationship of trust with and between the executive Directors and non-executive Directors;
  - (d) ensuring the adequacy and integrity of the governance process and issues including upgrading and monitoring good corporate governance practices within the Group;
  - (e) setting the Board agenda and ensuring the provision of accurate, timely, complete and clear information to all Directors as well as ensuring that Board Committees' meetings are conducted separately from Board meetings;
  - (f) chairing Board and shareholder meetings and ensuring the proceedings thereof comply with good conduct and practices as well as represent the Board to the shareholders;

- (g) functioning as a facilitator at meetings of the Board to ensure that no member, whether executive or non-executive, dominates any discussion and that relevant discussions take place with relevant opinions among members forthcoming. The Chairman encourages active participation and allow dissenting views to be freely expressed and ensure that discussions result in logical and understandable outcome;
  - (h) ensuring that all Directors are enabled and encouraged to participate in Board meetings and discussions. This includes ensuring that all relevant issues are on the agenda and that all Directors receive timely, relevant information tailored to their needs and that they are properly briefed on issues arising at Board meetings, and that adequate time is allocated for discussion of issues tabled to the Board for deliberation;
  - (i) ensuring that Executive Directors look beyond their executive function and accept their full share of responsibilities of governance and provide regular updates on all issues pertinent to the welfare and future of the Group to the Board;
  - (j) liaising and coordinating input from all Directors, especially Board Committees' Chairman, to optimise the effectiveness of the Board and its Board Committees;
  - (k) guiding and mediating Board actions with respect to organisational priorities and governance concerns;
  - (l) managing the interface between the Board and the Management;
  - (m) ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;
  - (n) ensuring that the Board is kept updated on their statutory obligations to the Company, its Shareholders, employees and other stakeholders;
  - (o) maintaining regular dialogue with the CEO over all operational matters and consulting with the remainder of the Board promptly over any matters that gives him/her cause for major concern;
  - (p) ensure that the general meeting of the Company supports meaningful engagement between the Board, Management and Shareholders. The engagement should be interactive and include robust discussion on, among others, the Company's financial and non-financial performance as well as the Company's long-term strategies; and
  - (q) performing other responsibilities assigned by the Board from time to time.
- (4) The Chairman may delegate specific duties to the Executive Directors, other Board members and / or Board Committees as appropriate.

### 5.3 Role of the Executive Directors

- (1) The Executive Directors are to develop long term strategic and short-term profit plans, designed to ensure that the business segment's requirements for growth, profitability and return on capital are achieved.
- (2) The Executive Directors are to direct and control all aspects of the business operations in a cost-effective manner, covering operational requirements, best technological practice, high levels of productivity and flexibility to cope with planned development and awareness of marketplace opportunities and threats, deploying resources to exploit and counter them respectively.
- (3) The Executive Directors are responsible for executive management of the business segments for which they are in charge covering, inter-alia, the development of a strategic plan, an annual operating plan and budget, performance benchmarks to gauge management's performance and the analysis of management reports.
- (4) The Executive Directors are to guide the sustainability committee (at operational level) to meet its oversight responsibilities in relation to the Group's sustainability initiatives and performance.
- (5) The Executive Directors are to provide assurance to the Board on the adequacy and effectiveness of the risk management, internal control system and anti-corruption framework for their respective segments.
- (6) The Executive Directors shall assure the Group that its corporate identity, products and services are of high standards and are reflective of the market environment.
- (7) The Executive Directors are to effectively represent the interest of the Group with major customers, governments and their agencies, and industries at large, to ensure general goodwill towards the Company and cooperation in planned development.
- (8) The Executive Directors shall oversee the human resource of the Group with respect to key positions in the segment hierarchy and ensures the general well-being of employees, determination of remuneration as well as terms and conditions of employment for KSM in consultation with the Management and the Board and issues pertaining to discipline of all employees.
- (9) The Executive Directors will assist 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.
- (10) The Executive Directors are to review and approve the request of receiving and providing gift, entertainment, travel, hospitality, donation and sponsorship to third parties based on the agreed authority limit.

### 5.4 Role of the CEO

- (1) The CEO is the conduit between the Board and the Management in ensuring the success of the Group's governance and management functions.

- (2) The CEO has the executive responsibility for the day-to-day operations of the Business and leads the implementation of policies, strategies and decisions adopted by the Board and monitors the operating and financial results against plans and budgets.
- (3) The CEO is to develop a succession plan for the KSM of the Company within the framework established by the NC.
- (4) All Board authority conferred on the Management is delegated through the CEO and this will be considered as the CEO's authority and accountability as far as the Board is concerned.
- (5) The CEO is also to direct the development of an effective risk management system and internal control processes within the risk management framework established by the ARMC.
- (6) The CEO is expected to act within all specific authorities delegated by the Board. The delegation is subject to and limit by, the terms of this Charter including matters reserved for decision by the Board in accordance with reserved matters for the Board and any specific limitations on authority imposed by the Board from time to time.
- (7) At each of its scheduled meetings, the Board should expect to receive from or through the CEO:
  - (a) reporting on the performance and the activities from the Company's subsidiaries and specific proposals for capital expenditure and acquisitions and disposals in accordance with the agreed authority limit; and
  - (b) such assurances as the Board considers necessary to confirm that the management limitations are being observed.
- (8) The CEO is responsible to the Board for the following:
  - (a) 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 against and the analysis of management reports;
  - (b) directing and controlling all aspects of the business operations in a cost-effective manner, covering operational requirements, best technological practice, high levels of productivity and flexibility to cope with planned development and awareness of marketplace opportunities and threats, deploying resources to leverage and counter them respectively;
  - (c) effectively overseeing the human resources of the Group with respect to key positions in the Group's hierarchy and recruitment of senior management staff and ensuring the general well-being of employees, reviewing and proposing the remuneration of KSM to the RC as well as terms and conditions of employment for KSM and issues pertaining to discipline of all employees;

- (d) drive the Group's sustainability initiatives (engaging with stakeholders both internal and external in developing strategies, priorities and targets and subsequently, monitoring and reporting performance against targets) and the integration of sustainability considerations in the Group's operations;
- (e) assuring that the Group's corporate identity, products and services are of high standards and are reflective of the market environment;
- (f) coordinating business plans with the business heads, coordinating management issues through the Board, and overseeing divisional function groups and cost containment process in consultation with the CFO and the regional office or head office of the Group;
- (g) regularly reviewing the heads of divisions and departments who are responsible for all functions contributing to the success of the Group;
- (h) assessing business opportunities which are of potential benefit to the Group;
- (i) maintaining and facilitating a positive working environment and good employee relations;
- (j) promoting a high degree of corporate governance and ethics across the Group;
- (k) ensures compliance with governmental procedures and regulations;
- (l) acting as chief spokesperson and representative of the Board and the Group; and
- (m) assisting 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.

#### 5.5 **Role of the Independent Directors**

- (1) The IDs help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are considered by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.
- (2) The roles of the IDs primarily cover the monitoring of the Group performance, constructively challenge and contributing to the development of Group strategies by carrying out independent assessment of the information, reports or statements, having regard to the Directors' knowledge, experience and competence, to provide independent views and demonstrate objectivity in reviewing Management's reports and proposals on (a) strategies - provide constructive commentaries and contribute to the development of Group strategies and (b) performance - oversee the performance of the Management in meeting pre-set objectives and targets and monitor the reporting of performance.
- (3) The IDs are also responsible for the following.

- (a) devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to keep abreast of industry issues, market development, trend, and sustainability issues relevant to the Company and its business, including climate-related risks and opportunities and enable them to sustain their active participation in Board deliberations;
- (b) act as a channel of communication between the Management, Shareholders and other stakeholders, and provide the relevant checks and balances, focusing on the Shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied; and
- (c) ensure that there are adequate systems, controls and check and balance to safeguard the interests of the Company and all stakeholders.

#### 5.6 Tenure of Directors

- (1) Pursuant to the Company's Constitution, all Directors must retire once at least every three (3) years but shall be eligible for re-election. Individuals standing for election should be transparent and make the necessary declaration to the Board and Shareholders on any existing or potential conflict of interest including whether they have a business, family or other special relationship within or outside the Company that could affect the execution of their role as Directors on the Board.
- (2) Pursuant to the MCCG, the tenure of an ID should not exceed a cumulative term of nine (9) years. The nine (9) years can either be a consecutive service of nine (9) years or a cumulative service of nine (9) years with intervals. Upon completion of the ninth (9<sup>th</sup>) year, the director shall not continue to serve on the Board in the capacity of an Independent Director.
- (3) The tenure of the Executive Directors is tied to their executive office.

#### 5.7 Company Secretary

- (1) The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board recognises the fact that the Company Secretary should be suitably qualified and capable of carrying out the duties required of the post including knowledge in company and securities law, finance, governance, sustainability and other areas of compliance such as the MMLR. The Company Secretary should undertake continuous professional development.
- (2) The key role of the Company Secretary is to provide unhindered advice and services for the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.
- (3) Other primary responsibilities of the Company Secretary shall include:
  - (a) preparing agendas and coordinating the preparation of the meeting papers for the Board and the Board Committees;
  - (b) ensuring that procedures and applicable rules of the Board and the Board Committees are observed;

- (c) maintaining records of the Board and the Board Committees and ensure effective management of Group' statutory records;
- (d) attending the Board and the Board Committees' meetings and preparing comprehensive minutes to document the Board's and the Board Committees' proceedings and ensuring conclusions are accurately recorded;
- (e) ensure availability of information required by new directors for the proper discharge of their duties;
- (f) timely dissemination of information relevant to Directors' roles and functions and keeping them updated on new or evolving regulatory requirements;
- (g) advising the Board on its roles and responsibilities;
- (h) advising the Board on corporate disclosures and compliance with company and securities regulations and MMLR and notifying the Board of any possible violations of regulatory requirements;
- (i) managing processes pertaining to the general meetings of the Company;
- (j) facilitating, with directive from Chairman and the NC, the orientation of new directors and assisting in directors' training and development;
- (k) monitoring corporate governance developments and assist the board in applying corporate governance practices to meet the board's needs and stakeholders' expectations;
- (l) serving as a focal point for stakeholders' communication and engagement on corporate governance issues; and
- (m) providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.

#### 5.8 **Board Committees**

- (1) The Board reserves the right to establish the Board Committees from time to time in the discharge of its duties and responsibilities. The existence of the Board Committees does not diminish the Board's responsibilities for the affairs of the Group where the delegation of power shall be subjected to the approved terms of references which are subjected to regular review and are in accordance with this Charter.
- (2) When a Board Committee is formed, specific terms of reference of the Board Committee would be established to serve as a guidance note which covers matters such as the purpose, composition and functions of the said Board Committee.

(3) Members of the Board Committees are expected to participate actively at meetings and be knowledgeable about the purpose, process and goal of the said Board Committees.

(4) The following standing Board Committees with specific written terms of reference have been established:

(a) **ARMC**

The ARMC assists in fulfilling the Board's stewardship accountability to its Shareholders and financial stakeholders.

The ARMC supports the Board in overseeing the Group's processes for producing financial data, internal control system as well as the independence of both the external and internal auditors.

The Group has in place an Enterprise Risk Management Control Framework.

The terms of reference of the ARMC are as attached.

(b) **NC**

The NC oversees matters relating to nomination and election of new Directors, the conduct of Directors and Board assessment and the facilitation of training and succession programs, drawing from external advice, if necessary.

The terms of reference of the NC are as attached.

(c) **RC**

The RC oversees matters relating to remuneration of Directors and KSM, drawing from external advice, if necessary.

The terms of reference of the RC are as attached.

#### 5.9 **The Board's Relationship with Shareholders and Stakeholders**

(1) 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.

(2) It is the responsibility of the Board to ensure that the AGM and EGM of the Company are conducted in an efficient manner and serves as a crucial mechanism in shareholder communications. Key points underpinning this include the supply of comprehensive and timely information to Shareholders and the encouragement of active participation at the general meetings.

(3) The Board will focus its efforts to abide by the best practices under the MCCG to enhance the effectiveness of the general meetings.

(4) The Stakeholder Communication Policy provides detailed guidance on communication with Shareholders and other stakeholders. Shareholders and other stakeholders can also access the corporate website at [www.skyechip.com](http://www.skyechip.com) to reach out to the investor relation officer for further information on the Group.

#### 5.10 **Formal Schedule of Matters Reserved for the Board's Decision**

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

- (a) Accounting policies and financial statements
- (b) Conflict of interest issues relating to a substantial shareholder or a Director or KSM including approving related party transactions (“RPT”) and recurrent RPT;
- (c) Strategic planning, major investments, mergers and acquisitions and corporate exercises;
- (d) Limits of authority; and
- (e) Board membership including appointments and removals (as applicable), establishment of Board Committees and membership as well as succession planning.

### 6. **BOARD PROCESSES**

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#### 6.1 **Conduct of Meeting**

- (1) Board Meetings shall be conducted in a business-like manner where all Directors are encouraged to share their views and partake in discussions. No one person should dominate the discussion. The Chairman, assisted by the Company Secretary, shall play a mediator’s role to maintain the order of the proceedings in a constructive, productive and effective manner.

#### 6.2 **Frequency**

- (1) The Board should meet regularly, at least once on a quarterly basis. Prior notice of meetings will be given to all who are required to attend the meetings. The Company Secretary or Management shall prepare and distribute in advance an annual timetable for all required to attend the meeting.
- (2) Additional Board meetings may be held in addition to the quarterly meetings as and when required. If additional meetings are to be convened, a Director may request for such a meeting to table matters of urgency, and the Company Secretary shall upon the request of the Chairman of the Board or any one (1) Director, convene a meeting. The Company Secretary shall prepare and distribute notice of meeting and agenda for all required to attend the meetings.
- (3) 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.

Other senior officers / Management who can provide additional insight into matters under discussion or appear to persons with potential who should be given exposure to the Board may be invited to attend for particular items within their responsibility. The Board may also invite external parties such as the auditors, solicitors and consultants as and when the need arises.

- (4) Additional formal business is dealt with as required, whether by physical, video conferencing or telephonic meetings, as well as other communications equipment by other electronic meetings defined in the Constitution of the Company. All notices, resolutions, attendance, transactions, quorums and votes obtained through electronic means shall be deemed valid and effective unless it contravenes the requirements of relevant statutes and regulations.

- (5) All meetings of the Board will be conducted in accordance with the Constitution of the Company and applicable laws.
- (6) The Chairman of the Board shall preside over meetings of the Board. In his absence, a Director from among the Board members present shall be appointed to preside at that relevant Board meeting.
- (7) The quorum for Board meetings is two (2) members present in person.
- (8) All Board decisions shall be made through consensus. In the event consensus could not be reached, it shall be decided by a majority of votes and in the event of equality of votes, the Chairman shall have a second or casting vote in accordance with the Constitution. The chairman will not have a second casting vote where only 2 **directors** form the quorum or at which only 2 directors are competent to vote on the question at issue.
- (9) Any issues which arise between meetings can be resolved through circular resolutions subsequent to the Board (as a whole) being apprised of the issues [either via audio-visual calls, emails or other means of communication] and obtaining their view before arriving at a decision. Such discussion, including any concerns raised and the rationale for the decision shall be tabled at the following Board meeting for formal record keeping.

A resolution in writing signed by a majority of Directors entitled to vote on the resolution in lieu of convening a formal meeting shall be as valid and effectual as it had been passed at a meeting of the Board duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members and forwarded or otherwise delivered to and shall be recorded by the Company Secretary.

### 6.3 **Agenda**

- (1) Except in cases of emergency, the notice of a Board meeting should be given in writing at least five (5) business days prior to all Board meetings. Notices may be sent through any means of communication as prescribed in the Company's Constitution.
- (2) The agenda shall include, among others, matters specifically reserved for the Board's decision. Due consideration should be given to items for inclusion, sequence of these items, approximate time to be allocated for each item as well as the necessary board papers needed to be provided to the Board including items to be sent in advance. In the case of sensitive and confidential information, these board papers may be circulated just prior to the Board meeting. The Board shall record its deliberation, in terms of the issues discussed, and the conclusions thereof in discharging its duties and responsibilities.

### 6.4 **Meeting Papers**

- (1) As a matter of best practice and to allow ample time for Directors to consider the relevant information, Board papers and agenda items are to be circulated at least five (5) business days or within such reasonable period of time prior to the meeting. It is recommended that where there is a need to table a report, a brief listing of findings and/or recommendations is prepared.

- (2) The minutes of Board meetings reflecting the deliberations and decisions of the Board including any dissenting views and if any director had abstained from voting or deliberating on a particular matter shall be prepared in a timely manner in any event within one (1) month following a Board meeting and shall be circulated in draft form. The draft minutes shall be re-circulated together with the Board papers at the following Board meeting in readiness for approval. The practice is for minutes to record processes and decisions rather than a historical narrative of the discussion. If one or more Directors request their opinion to be noted, the Company Secretary shall comply with the request.

#### 6.5 Access to Information and Senior Management

- (1) Unless otherwise provided by or subject to any applicable laws or regulations or the MMLR, all Directors shall have full and unrestricted access to information necessary for the discharge of their fiduciary duties and responsibilities. In the interest of good governance and to ensure the efficient management of company resources, any Director seeking access to specific information or documents is requested to submit a written request to the Chairman of the Board. The request should include sufficient and clear justifications to facilitate appropriate consideration and response. The Company remains committed to upholding transparency and accountability, while ensuring that access to information is exercised responsibly and in alignment with the principles of confidentiality, relevance, and the best interests of the Company.
- (2) Non-executive Board members are expected to notify, as a matter of protocol, via email or call, any of the Executive Directors or the Chief Financial Officer before contacting any members of the senior management on any substantive matters and regarding the normal activities of Board Committees.
- (3) A record of submissions, papers and materials presented to the Board, is maintained and held by the Company Secretary together with minutes of meetings and is accessible to the Directors. However, the Company reserves the right to withhold dissemination of commercially sensitive information where appropriate, in line with confidentiality and governance policies.
- (4) All Directors should have access to the advice and services of the Company Secretary.
- (5) All Directors acknowledge that confidential information received in the course of exercise of Board duties remains the property of the Group, whether it relates to the Group or another entity.

#### 6.6 Independent Professional Advice

- (1) The full Board or a Director in their individual capacity, shall be able to obtain independent professional advice where necessary and reasonable for the performance of their duties at the Company's expense.
- (2) If a Director considers such advice necessary for the discharge of his or her duties and responsibilities as Director and for the benefit of the Company, such Director shall obtain the Board's prior approval, and in seeking such advice, shall be required to comply with the following procedures:
  - (a) The request shall be made in writing to the Board;

- (b) The Director concerned shall prepare a detailed paper to be submitted to the Board, highlighting inter alia the purpose behind the request and the estimated costs for the advice; and
  - (c) The Board shall deliberate on the said paper and at its absolute discretion determine if the Director concerned shall be permitted to seek independent professional advice. Should a request be denied, the Director concerned is entitled to have his or her views duly recorded.
- (3) Subject to prior approval of the Board, the cost of the advice will be reimbursed by the Company but the Director will ensure, so far as is practicable, that the cost is reasonable.

#### 6.7 Appointment of Director

- (1) The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the NC.
- (2) Upon appointment, the said Director shall provide to Bursa Securities an undertaking prescribed by Bursa Securities immediately in any event not later than fourteen (14) days from the day of the appointment or such other time as may be prescribed by Bursa Securities.
- (3) The qualifications for Board membership are:
  - (a) in compliance with, from time to time, the qualifications of directors as defined under Paragraph 15.05 of the MMLR;
  - (b) the ability to make informed business decisions and recommendations;
  - (c) an entrepreneurial talent for contributing to the creation of Shareholders' value;
  - (d) education and experience that provides knowledge of business, sustainability, financial, governmental or legal matters that are relevant to the Company and Business or to its status as a publicly owned company;
  - (e) the ability to appreciate the wider picture and to ask probing operational related questions,
  - (f) have high ethical standards and sound practical sense;
  - (g) sufficient available time to be able to fulfil his or her responsibilities as a member of the Board and any of the Board Committees to which he or she may be appointed; and
  - (h) total commitment to furthering the interests of shareholders and the achievement of the Company's goals.
- (4) The Board shall utilise independent sources (including but not limited to directors' registry maintained by various bodies, open advertisements or utilise the service of independent search firms) to identify suitably qualified candidates to fill board vacancies.

## 6.8 Induction Process

- (1) The objective of the induction process is to provide Directors with a rapid and clear insight into the Group as well as keeping them abreast with development in the marketplace pertaining to the oversight function of Directors. This will enable the Directors to discharge their duties and responsibilities effectively.
- (2) The Chairman, working with the CEO, Company Secretary and the NC, will provide new Directors with appropriate background materials and information about the Group in advance of their first Board meeting.
- (3) Induction of Directors may include any of the following:
  - (a) time with the other Directors, in particular the Chairman, the Company Secretary and, if the ID is a functional specialist, his or her counterpart;
  - (b) furnishing of a copy of the previous board minutes for at least the past six (6) months as well as strategic plan and budget (if not already included in the previous board minutes aforesaid);
  - (c) visits to key sites within Malaysia; and
  - (d) a formal 1 to 2 days induction programme, including the elements above.

## 6.9 Conflict of Interest

- (1) The Company's Constitution stipulates 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 Act. In connection with the disclosure, every Director shall state the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly duties or interests might be created in conflict with his duty or interest as a Director of the Company.
- (2) The Director concerned shall not participate in deliberations and shall abstain himself from casting his votes in any matter arising thereof unless otherwise as provided for in the Constitution of the Company.
- (3) Should 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.
- (4) 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.
- (5) In the particular case where the non-interested members of the Board may decide that a Director or a related party may properly supply goods or services on commercially acceptable terms to the Group, details will be reviewed by the ARMC. Where appropriate, the Company shall seek a general mandate from the shareholders at the general meetings for the Group to undertake the said transactions.

- (6) The Company Secretary shall aid the annual independence and quarterly conflict of interest self-declaration by the Directors.

#### 6.10 **Assessment of the Board and Directors and Board Committees**

- (1) The NC is tasked by the Board to review, annually in an objective and formal manner, the performance and effectiveness of the Board and Board Committees, including individual Directors and senior management, annually, with the assessment report, together with a report on the Board balance covering the required mix of skills, experience and other qualities of Board members, tabled for discussion at the full Board.
- (2) The said review of the Directors and senior management shall include a review of their efforts in addressing the Group's material sustainability risks and opportunities and delivering progress against achievement of sustainability targets.
- (3) The Board must review the terms of office and performances of the Board Committees and each of its members at least once annually to determine whether the Board Committees and their respective members have carried out their duties and responsibilities effectively and in accordance with the respective terms of reference and to ensure that the Board Committees have the right composition, and sufficient, recent and relevant skills and expertise to effectively fulfil their roles. [This duty to review the performances of the RC and ARMC may be delegated by the Board to the NC.]

#### 6.11 **Directors' External Commitments**

- (1) The Company shall ensure that its Board members have the character, integrity, experience, competence and time to effectively discharge their roles.
- (2) The Board members shall ensure that they dedicate sufficient time and commitment to carry out their roles and responsibilities as well as sufficient to meet the demands and expectations of the role. Each Director shall provide such a commitment at the point of appointment. Each Director is also required to commit to attend at least 50% of the Board meetings held during each financial year.
- (3) A Director of the Company shall hold not more than five (5) directorships in public listed companies. Prior to accepting any new appointment, Directors shall notify the Chairman in writing (also through email) and this shall include an indication of time that will be spent on the new appointment and that there is no conflict of interest or potential conflict of interest.

#### 6.12 **Directors' Continuing Education**

- (1) The Board believes that each Director should receive continuing education on an annual basis regarding Directors' duties and responsibilities, corporate governance, legal, regulatory and accounting developments, sustainability, investor relations matters and other topics relevant to the oversight of the business of the Group. Such continuing education shall at a minimum satisfy the requirements of any applicable laws or regulations.

In respect of sustainability, the Directors should be kept updated by the Management on issues (including climate related risks and opportunities) relevant to the Group and its Business.

- (2) The Board, assisted by the NC, shall on continuous basis assess, evaluate and determine the training needs of the Directors.
- (3) The training(s) attended by the Directors will be disclosed in the annual report. In special circumstances, valid justifications for non-attendance at any training by Directors during the financial year shall also be disclosed.
- (4) The costs of the induction, mandatory accreditation programme and/ or at least one (1) continuing relevant education program shall be borne by the Company.

#### 6.13 Meeting Recordings

- (1) All Board meetings shall be recorded for the purpose of accurate documentation and reference. However, once the minutes of a Board meeting have been duly prepared, approved and confirmed at the subsequent Board meeting, the meeting recordings shall be promptly deleted and permanently removed from all storage devices and systems.
- (2) The deletion of the recordings shall be carried out in a secure and irreversible manner to ensure the confidentiality and privacy of Board discussions and deliberations. This practice promotes the principle of maintaining official minutes as the authoritative record of Board meetings while safeguarding sensitive information.

### 7. REPRESENTATION OF THE COMPANY

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- 7.1 The Board looks to the CEO to speak on behalf of the Group and to manage the communication of information to investors, other stakeholders and the public in an orderly and effective manner while adhering, at all times, to relevant laws and regulatory requirements with reference to the Stakeholder Communication Policy.
- 7.2 Non-Executive Directors, to as far an extent as possible, should avoid commenting on the Company to external audiences. This is to avoid confusion and to ensure that the Board speaks in one voice.
- 7.3 The Group shall use information technology in its communication with Shareholders and other stakeholders. The usage shall include a dedicated section for Corporate Governance under the Investor Relations heading on the Group's corporate website. This dedicated section shall provide updated information such as quarterly financial statements, Board Charter and Annual Report, among others.

### 8. REMUNERATION OF THE DIRECTORS & KEY SENIOR MANAGEMENT

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- 8.1 The Group aims to set remuneration at levels which are sufficient to attract and retain the Directors and senior management needed to run the Company successfully, taking into consideration all relevant factors including the demands, complexities and performance of the Company as well as skills and experience required, but without paying more than is necessary to achieve this goal.
- 8.2 The Executive Directors and the KSM shall receive remuneration that is recommended by the RC.

- 8.3 The Non-Executive Directors will be entitled to fees and benefits payable for their role as Directors of the Company subject to shareholders' approval at general meetings. The benefits payable would include allowance for attendance at meetings and for the responsibilities undertaken on Board Committees.
- 8.4 The remuneration for all Directors (and KSM) shall be approved by the Board (upon recommendation from the RC) with the Directors concerned abstaining from participating in the discussion of his individual remuneration. Remuneration payable shall be in line with the Directors' Assessment Policy and Remuneration Policy.

## 9. CODE OF CONDUCT & ETHICS

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- 9.1 The Directors shall observe the Code of Conduct & Ethics:
- (a) Observe the standards of corporate governance, in particular the practices set out in the MMLR, the MCCG, the Act and the Capital Markets and Services Act 2007;
  - (b) Observe the principles of selflessness, integrity, probity, accountability, objectivity, openness, honesty and leadership;
  - (c) Act in good faith and always in the best interest of the Company and the Group;
  - (d) Ensure the Company's resources and assets are safeguarded and that the Company conducts its operations economically, efficiently and effectively at all times;
  - (e) Comply at all times with this Code of Conduct & Ethics, the Board Charter and regulatory requirements expected to be adhered to by Directors of the Company and/or the Group;
  - (f) Refrain from using information gained in the course of duties for personal gain or for any other purpose, nor seek the opportunity of the service as Directors to promote private interests or those of connected persons, firms, businesses or other entities;
  - (g) Declare any personal, professional or business interests that may conflict with their responsibilities as Directors of the Company and/or of the Group;
  - (h) Directors should refrain from accepting appointments to Board Committees or working groups where a conflict of interest may arise, unless such interest has been fully disclosed and acknowledged by the Board during a formal meeting;
  - (i) Adhere to regulatory requirements pertaining to trading in the Company's shares, including insider trading; and
  - (j) Refrain from activities or behaviour that could give rise to the perception or suspicion of any corrupt or illegal acts or the attempt thereof.
- 9.2 The Code of Conduct & Ethics must be made available on the Company's website.

## 10. WHISTLEBLOWING POLICY

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- 10.1 A Whistleblowing Policy is in place to enhance corporate governance practices across the Group and which provides Directors, officers, employees and stakeholders of the Group with an avenue to report suspected improprieties such as illegal or unlawful conduct, contravention of the Group's policies and procedures, acts endangering the health or safety of any individual, public or employee, and any act of concealment of improprieties.
- 10.2 The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, to the extent possible, be protected from reprisal, victimisation, harassment or subsequent discrimination.

## 11. THE COMPANY'S CONSTITUTION AND MANAGEMENT' LIMITS

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- 11.1 The Board operates pursuant to the powers and is subject to rules in the Constitution of the Company as adopted by shareholders in general meeting.
- 11.2 The Management is expected to act within all specific authorities delegated to it by the Board as outlined under Limits of Authority. Nevertheless, the Board is still charged with the responsibility for the exercise of such power by the delegate as if such power had been exercised by the Directors themselves.
- This responsibility can be negated only when:
- (a) the Board believed on reasonable grounds that the delegate would exercise the delegated powers in conformity with the Act and the Constitution of the Company; and
  - (b) the Board believed on reasonable grounds, in good faith and after making a proper inquiry that the delegate (where necessary) was reliable and competent in relation to the powers delegated.
- 11.3 The Management is expected not to cause or permit any practice, activity or decision that is contrary to commonly accepted good business practice or professional ethics.

## 12. DEEMING PROVISION

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- 12.1 The provisions under this Board Charter have been drafted in a manner to incorporate the provisions under the MMLR, the MCGG and other statutes, regulations and guidelines applicable to the Board Charter (if any). In the event the applicable provisions of the MMLR, the MCGG and/or relevant governing statutes, regulations and guidelines relating to the Board Charter are from time to time amended, modified or varied, such amendments, modifications and variations shall be deemed inserted herein whereupon these Board Charter shall be read and construed subject to and in accordance with the amended, modified or varied MMLR, MCGG, statutes, regulations and guidelines.

### 13. REVISION TO THE BOARD CHARTER

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- 13.1 The Board Charter shall be reviewed by the Board annually and as when necessary to ensure its relevance in aiding the Board to discharge its duties and responsibilities vis-a-vis the changes in corporate laws and regulations that may arise from time to time.
- 13.2 Any revision or amendment to this, as proposed by the Board Committees or any third party, shall first be presented to the Board for its approval.
- 13.3 Upon the Board's approval, the said revision or amendment shall form part of this Board Charter and this Board Charter shall be considered duly revised or amended.
- 13.4 The Board Charter must be made available on the Company's website.