

**ASTUTE FUND MANAGEMENT BERHAD**

Company No.: 199701004894 (420390-M)

Incorporated in Malaysia

**BOARD CHARTER**

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**OVERVIEW**

The Board of Directors recognizes that the pursuit of sound corporate governance principles is a fundamental responsibility of the members of the Board. Proper governance and control represent key pillars in the Company's philosophy and strategy. The Board is wholly committed to playing its role in ensuring the highest standards of governance and ethical conduct are adopted by the Company in relation to all of its dealings.

The Board Charter shall constitute and form an integral part of each Directors' duties and responsibilities.

**OBJECTIVE**

To oversee the conduct and direct the management of the business and affairs of the Company towards enhancing long term success and corporate accountability with the ultimate objective of meeting the goals of the Company, realizing long term shareholder value and safeguarding the interests of its stakeholders.

**1. COMPOSITION AND BALANCE OF THE BOARD**

**1.1 Size and Composition**

The Company is led by an effective and experienced Board comprising of members who have varied experience in general business, investment and financial aspects, as well as in the technical and operational aspects, in line with the nature of business of the Company.

The Constitution of the Company provides for a minimum of two (2) Directors. At any one time, at least two (2) or one-third (1/3) of the Board, whichever is higher, should be Independent Directors. In the event if the number of Independent Directors fall below the minimum requirement, the number of Independent Directors must be filled within three (3) months from the date of change.

The composition and size of the Board are reviewed from time to time to ensure its appropriateness.

**1.2 Nomination and Appointments**

Members of the Board are appointed in a formal and transparent practice. Recommendations are made to the Board who will then arrive at a decision on the appointment of Director after having taking into consideration the appropriate mix of skills, knowledge, experience and independent elements that fit the Company's objectives and strategic goals.

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The Company Secretary will then ensure that all appointments are properly made and that all legal and regulatory obligations are met.

**1.3 Re-election**

In accordance with the Company's Constitution, all Directors appointed by the Board are subject to re-election by the shareholders at the annual general meeting following their appointment. At least one third (1/3) of the Directors are required to retire from office by rotation annually and shall be eligible for re-election at each annual general meeting.

**1.4 Independence**

The presence of Independent Non-Executive Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision making remain objective and independent whilst assuring the interest of other parties such as minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration.

**1.5 Tenure of Independent Director**

The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director.

In the event the Director is to remain designated as an Independent Director, the Board shall first justify and obtain shareholders' approval on a year-to-year basis via two-tier voting process.

**1.6 Evaluation of the Directors and the Board as a whole**

The Board recognizes the importance of assessing the effectiveness of individual Directors, the Board as a whole and its Committees. The Board conducts annual evaluation of the individual Director's performance and the effectiveness of the Board and the Board's Committees. In assessing the suitability of candidates, considerations will be given to the competencies, commitment, contribution and performance.

**2. ROLES AND RESPONSIBILITIES**

**2.1 Board Responsibilities**

The Chief Executive Officer and Executive Directors have the responsibility to manage

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the day-to-day operations of the business, implementation of Board policies and making strategic decisions for the expansion of the business. The Non-Executive Directors contribute their expertise and experiences to give independent judgment to the Board on issues of strategy, performance and resources, including major policies, key directions and standards of conduct.

The Independent Directors must, in addition to their duties and responsibilities as Directors, represent and safeguard the interests of unit holders.

Together, the Directors possess a wide range of business, commercial and financial knowledge, expertise and skills essential in the management and direction of a corporation.

The Board maintains its focus on strategies, financial performance and critical business decisions, generally involving the following:-

- i. Formulating overall strategic direction, business plans of the Company, including major capital commitments.
- ii. Establishing annual financial budgets in line with the business plans.
- iii. Setting up the appropriate action plans geared towards achieving the business plans and budgets.
- iv. Reviewing and approving of new ventures, major acquisitions and disposal of undertakings and properties.
- v. Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks.
- vi. Reviewing the adequacy and integrity of the Company's internal control systems and management information systems.
- vii. Establishing key performance indicators and a succession plan.

## **2.2 Accountability and Audit**

### **i. Financial Reporting**

The Board has overall responsibility for the quality and completeness of the financial statements of the Company, and has a duty to ensure that those financial statements are prepared based on appropriate and consistently applied accounting policies, supported by reasonably prudent judgment and estimates and in

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accordance to the applicable financial reporting standards.

The Audit Committee plays a crucial role in assisting the Board to scrutinize the information for disclosure to shareholders to ensure material accuracy, adequacy and timeliness.

**ii. Internal Control and Risk Management**

The Board is responsible for maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets, and for reviewing the adequacy and integrity of the system. The system of internal control covers not only financial controls but operational and compliance controls and risk management.

Risk management is an integral part of the Company's business operations and it is subject to periodic reviews by the Board. The Company adopted a structured risk management framework with discussions involving different levels of management to identify and address risks faced by the Company.

Management is responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely corrective actions as needed, and for providing assurance to the board that the processes have been carried out.

The Audit Committee has been entrusted by the Board to ensure the effectiveness of the Company's internal control systems. The activities of the outsourced Internal Auditors are reported regularly to the Audit Committee which provides the Board with the required assurance in relation to the adequacy and integrity of the Company's system of internal controls

The Board recognizes that the process of identification, evaluation, management of significant risks faced by the Company and improvement of the system of internal controls are an ongoing process. The Board maintains on-going commitment to strengthen the Company's control environment and processes.

**iii. Relationship with Auditors**

The Company has established a transparent and appropriate relationship with both the outsourced Internal Auditors and the External Auditors. Such a relationship allows the Company to seek professional advice on matters relating to compliance and corporate governance. The internal audit function of the Company is outsourced to a third party. Similar to the External Auditors, Internal Auditors too have direct reporting access to the Board and the Audit Committee to ensure that issues highlighted are addressed independently, objectively and impartially without any undue influence of

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the management.

**2.3 Responsibilities of the Chairman and the Chief Executive Officer**

The Board ensures that the Chairman is a non-executive member of the Board.

There is a proper balance of power and authority on the Board, with a clear division of responsibility between the Chairman and the Chief Executive Officer (“CEO”). This delineation provides a good check and balance, with the Chairman being responsible for the leadership of the Board, while the CEO leads the management of the Company and has overall responsibility for the operating units and the implementation of the Board’s policies and decisions.

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

- i. To provide leadership to the Board.
- ii. To oversee the effective discharge of the Board’s supervisory role.
- iii. To facilitate the effective contribution of all Directors.
- iv. To conduct and chair Board Meetings and General Meetings of the Company.
- v. To brief all the Directors in relation to issues arising at Meetings.
- vi. To manage Board communications, Board effectiveness and effective supervision over Management.
- vii. To ensure that quality information to facilitate decision-making is delivered to the Board on a timely manner.
- viii. To ensure Board Meetings and General Meetings are in compliance with good conduct and best practices.
- ix. To promote constructive and respectful relations between Board members and between the Board and the Management.
- x. Together with the CEO, the Chairman represents the Company to external groups.

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

- i. To ensure the efficient and effective operation of the Company.

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- ii. To manage the overall business and oversees the day-to-day management of the Company with all powers, discretions and delegations authorized, from time to time, by the Board.
- iii. To provide effective leadership to the entire workforce by establishing an honest and disciplined work culture that result in productive output that delivers value to the shareholders as well as ensuring succession plans are in place through training and personal development of key staff.
- iv. To develop and recommend to the Board, the strategic business direction, plans and policies of the Company that leads to the creation of shareholders' value.
- v. To develop and recommend to the Board the operational plan and annual budget that support the Company's long-term strategy.
- vi. To ensure continuous improvement in the quality and value of the products and services provided by the Company.
- vii. To ensure that the Company achieves and maintains a satisfactory competitive position within its industry.
- viii. To formulate and oversee the implementation of major corporate policies.
- ix. To report to the Board periodically on the financial positions of the Company which include forecast results, market conditions and other developments as required from time to time.
- x. To serve as the chief spokesperson for the Company.
- xi. To be responsible for the financial management and overseeing the handling of financial matters of the Company.
- xii. To bring material matters to the attention of the Board in an accurate and timely manner.

**2.4 Board Committees**

The Board may from time to time establish Committees, as is considered appropriate to assist in carrying out, its duties and responsibilities. The Board delegates certain functions to the following Committees to assist in the execution of its responsibilities.

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- i. Audit Committee
- ii. Investment Committee
- iii. Shariah Committee

The Committees shall operate under clearly defined terms of reference. The Committees are authorized by the Board to deal with and to deliberate on matters delegated to them within their terms of reference.

**2.5 Company Secretary**

The Board appoints the Company Secretary(ies), who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.

The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.

The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board recognizes the fact that the Company Secretary should be suitably qualified and capable of carrying out the duties required.

All Board Members, particularly the Chairman, have unrestricted access to the advice and services of the Company Secretary for the purposes of the Board's affairs and the business.

**3. BOARD PROCESSES**

**3.1 Board Meetings**

**i. Frequency of Meetings**

The Board meets at least four (4) times a year, with additional meetings to be convened whenever necessary. Where necessary, senior management and/or external professionals may be invited to attend these meetings to clarify and/or explain matters being tabled.

**ii. Notice of Meetings**

The Directors receive notices of meetings, typically at least seven (7) days prior to the date of the meeting, setting out the agenda for the meetings, complete with a full set of Board Papers. The Board Papers provide sufficient details of matters to be deliberated during the meeting, and the information provided therein is not confined to

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financial data but includes also non-financial information, both quantitative and qualitative, which are deemed critical for the Directors knowledge and information in arriving at a sound and informed decision.

The Board meetings may be held by fully virtual or hybrid at more than one venue using any technology or method to allow the Directors to participate, speak and vote at the meetings.

**iii. Quorum**

Unless otherwise provided in the shareholders agreement, the quorum for meetings shall be two (2) members. 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. It is allowed to participate to the meetings through conference call or video conference.

**iv. Minutes of Meetings**

Minutes of Board meetings together with decisions made by way of a resolution passed are duly recorded and properly kept by the Company Secretary.

**v. Time Commitment**

The Board sets out expectations on time commitment for attending of the Company's Board Meetings and General Meetings. The Directors are expected to confirm that they will be in a position to allocate sufficient time to meet the expectation of his/her role as a Director.

The Directors are required to attend at least 50% of the total board of directors' meetings held during a financial year.

The meeting schedule for the ensuing year will be provided to the Directors in advance before the end of the year so that the Directors are able to plan ahead and ensure sufficient time will be devoted to discharge their duties and responsibilities.

**3.2 Management of Conflicts of Interest**

The Directors are required to inform the Board of conflicts or potential conflicts of interest they may have in relation to particular items of business. The Directors are also responsible to declare whether they and/or any person(s) connected to them have any potential conflicts of interest in any transaction and/or in any contract with the Company. Any Director who has an interest in any related party transaction shall abstain from the Board deliberation and shall ensure that he/she and the person(s) connected to him/her



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will abstain from voting on the related resolution.

This section should be read in conjunction with the Conflict of Interest Policy for Directors.

**3.3 Directors' Training**

The Directors are encouraged to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors. In addition, individual directors are responsible for determining their continuous training needs to keep abreast of changes in both the regulatory and business environments as well as with new developments within the industry which the Company operates.

The Board will assess the training needs of the Directors and ensure Directors have access to continuing education programme.

**3.4 Directors' Remuneration**

The Board recognizes that adequate levels of remuneration is required to attract, retain and motivate the directors to manage the business of the Company and to align the interest of the Directors with those of the shareholders. Formal and transparent remuneration policies and procedures are essential to attract and retain Directors.

The Board is guided by the Remuneration Policy established that sets out the criteria to be used in considering the remuneration of the Directors and/or Senior Management of the Company.

**3.5 Access to Information and Independent Advice**

The Directors have unrestricted access to information from the management, the Company Secretary, the outsourced Internal Auditors as well as the External Auditors of the Company in furtherance of their duties. If the need arises, they are free to obtain independent professional advice at the Company's expense.

**3.6 Investor Relations and Shareholder Communication**

The Board values the importance of the dissemination of information on major developments of the Company to its stakeholders. The Company's corporate website serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, news and events relating to the Company.

The Board will ensure that the general meetings of the Company are conducted in an efficient manner and serve as a mode in shareholders' communications. These

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include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the general meetings.

**4. CODE OF ETHICS AND CONDUCT**

The Code of Ethics and Conduct is to be observed by all Directors and employees of the Company and the core areas of conduct include the following:-

- i. Compliance at all times with the Code of Ethics and Conduct and the Board Charter.
- ii. Observe high standards of corporate governance at all times.
- iii. Comply with the Company's Anti-Bribery and Anti-Corruption Policy (including any amendments from time to time).
- iv. Observe high standards of business, professional and ethical conduct, and to refrain themselves from the offering, giving or receiving any gifts and any other form of benefits (in-kind, cash, advantages and/or favour and etc.) from persons or entities who deal with the Company where the gift would reasonably be expected to influence the performance of their duties in any aspect.
- v. Adhere to the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership, including fair dealing and the ethical handling of conflicts of interest.
- vi. Not misuse information gained in the course of duties for personal gain or for political purposes.
- vii. Uphold accountability and act in good faith and in the best interests of the Company.
- viii. Ensure the protection of the Company's legitimate business interests, including corporate opportunities, assets and confidential information.
- ix. Ensure full, fair, accurate, timely and understandable disclosure.
- x. Declaration of any personal, professional or business interests that may conflict with responsibilities.

In the event of any violation of this Code of Ethics and Conduct by any Director or employee of the Company, the Board of Directors of the Company shall determine appropriate actions to be taken after considering all relevant information and

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circumstances.

The Board will review the Code of Ethics and Conduct regularly to ensure that it continues to remain relevant and appropriate.

**5. REVIEW OF THE BOARDCHARTER**

The Board will review this Board Charter from time to time and make any necessary amendments to ensure they remain consistent with the Board's objectives, current law and practices.

**6. BOARD APPROVAL**

This Board Charter was reviewed and revised by the Board of Directors of the Company on 26 September 2023.