

BOARD CHARTER

1.0 Introduction

The Board of Directors of icapital.biz Berhad (“the Board”) is responsible for ensuring that icapital.biz Berhad (the “Fund”) is well managed at all times. In this regard, the Board Charter shall constitute and form an integral part of each Director’s duties and responsibilities.

2.0 Objective

The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Fund are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and to ensure that the principles of good Corporate Governance are applied in all their dealings in respect, and on behalf, of the Fund.

3.0 Board

3.1 Composition of the Board

The Board shall comprise of Non-Executive Directors who shall be qualified individuals of good repute and with diverse professional background, skills, necessary experience and knowledge for the performance of their duties.

The appointment of a new Director is a matter for consideration and decision by the Board, upon the recommendation from the Nomination Committee. In making these recommendations, the Nomination Committee will consider the required mix of skills, experience and diversity, including gender, where appropriate, which the potential candidate would bring to the Board.

In accordance with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“MMLR”), the Fund must ensure that at least two (2) or one-third (1/3) of the Board, whichever is the higher, are Independent Non-Executive Directors. The Independent Non-Executive Directors provide independent judgment, experience and objectivity without being subordinated to operational considerations.

The Board shall appoint a Senior Independent Non-Executive Director who will also attend to any queries or concerns raised by the shareowners.

The composition and size of the Board shall be reviewed from time to time to ensure its appropriateness vis-à-vis the needs of the Fund as well as the requirements set out in the relevant law(s), regulation(s) and code(s).

3.2 Tenure of Directors

The Articles of Association of the Fund provides that every newly appointed Director be subjected to re-election at the Fund's next Annual General Meeting ("AGM") subsequent to their appointment. Further, one third of the Board shall retire from office and be eligible for re-election at every AGM, and all Directors shall submit themselves for re-election once at least every three (3) years.

Pursuant to Section 129(2) of the Companies Act, 1965, Directors who are or over the age of seventy (70) years shall retire at every AGM and may offer themselves for re-appointment to hold office until the conclusion of the next AGM.

Recommendation 3.2 of the Malaysian Code on Corporate Governance 2012 ("Code") recommends that the Independent Non-Executive Directors whose tenure exceeds a cumulative term of nine (9) years may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Non-Executive Director. Recommendation 3.3 of the Code further recommends that the Board must justify and seek the shareowners' approval in the event it retains as an Independent Non-Executive Director, a person who has served in that capacity for more than nine (9) years.

The Board shall make its best effort to follow the recommendations of the Code. In the event of any deviation from the recommendations of the Code, the Board would give reason(s) for not following any of them and state the alternative(s) adopted, if any.

3.3 External Board Appointments

Any Board Member, whilst holding office, is at liberty to accept other board appointments so long as the appointment is not in conflict with the business of the Fund and does not detrimentally affect the Director's performance as a Board Member. All such appointments must first be notified to the Chairman before being accepted. The notification should include an indication of time that will be spent on the new appointment.

4. Duties and Responsibilities of the Board of Directors

4.1 Directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as Directors. Broadly these include:

- (i) acting in good faith and in the best interests of the Fund as a whole;
- (ii) acting with care and diligence and for proper purpose;
- (iii) avoiding conflicts of interest wherever possible; and
- (iv) refraining from making improper use of information gained through the position of Director and from taking improper advantage of the position of Director.

4.2 The Board's duties and responsibilities include the following:

- (i) ensure that the Fund adheres to its investment objectives, investment policies and investment restrictions;
- (ii) review and evaluate the performance of the external service providers i.e. the Fund Manager, Investment Adviser, the Custodian, the Administrator, the Company Secretaries, External Auditors, Internal Auditors and any other external service providers as may be appointed from time to time;
- (iii) review the adequacy and integrity of the system on internal control of the external service providers;
- (iv) review and oversee succession plan for the Board and external service providers (if necessary); and
- (v) ensure that the Fund adheres to high standards of ethic and corporate governance.

5. Roles of the Chairman, Independent Non-Executive Directors, Senior Independent Non-Executive Director and Non-Independent Non-Executive Directors

5.1 The Chairman

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

- (i) lead the Board in setting its values and ethical standards of the Fund and monitor the workings of the Board;
- (ii) chair meetings of the Board and stimulate debates on issues and encouraging positive contributions from each Board Member;
- (iii) consult with the Company Secretary in setting agenda for Board Meetings and ensures all relevant issues for the effective running of the Fund's business are on the agenda;
- (iv) ensure proper flow of information to the Board, reviewing adequacy and timing of documentary materials;
- (v) ensure the integrity of governance process and issues;
- (vi) chair meetings of shareowners;
- (vii) ensure effective communication with shareowners; and
- (viii) perform other responsibilities assigned by the Board from time to time.

The Chairman should allow every board resolution to be voted on and ensure the will of the majority prevails. The Chairman should ensure that the following are carried out:

- (a) all Directors are properly briefed on issues arising at Board meetings; and
- (b) there is sufficient time allowed for discussion on complex or contentious issues and where appropriate, arranging for informal meetings beforehand to enable thorough preparations.

5.2 Independent Non-Executive Directors

The Independent Non-Executive Directors shall provide independent judgment and objectivity and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Fund. The Independent Non-Executive Directors help to ensure that the interests of all shareowners and not only the interests of a particular group, and that all relevant matters and issues are objectively and impartially considered by the Board.

The roles of an Independent Non-Executive Director, amongst others, are as follows:-

- (i) provide independent judgment and participate actively in meetings, giving independent views in a constructive manner and bringing an element of objectivity to the Board's decision making; and
- (ii) provide a check and balance to the Board.

5.3 Senior Independent Non-Executive Director

The Senior Independent Non-Executive Director shall serve as a designated contact for consultation and direct communication with shareowners on areas that cannot be resolved through the normal channels of contact with the Chairman.

5.4 Non-Independent Non-Executive Directors

The roles of Non-Executive Directors are as below:-

- (i) provide relevant checks and balances, focusing on shareowners' and other stakeholders' interests and ensure that high standards of corporate governance are applied; and
- (ii) help to create an environment that allows the expression of disagreement when discussing strategic issues.

6. Board Committees

- 6.1 The Board may from time to time establish Committees as it may consider appropriate to assist the Board in carrying out its duties and responsibilities. The Board delegates certain functions to the following Committees to assist in the execution of its duties and responsibilities:

- (i) Audit Committee; and
- (ii) Nomination Committee.

6.2 The Committees shall operate under clearly defined terms of reference. The Committees are authorised by the Board to deal with and deliberate on matters delegated to them within their terms of reference. The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings and such minutes will be included in the Board papers.

7. Management of risks

7.1 The Board has the overall responsibility for the adequacy and integrity of system on internal control although it is recognized that such a system can only provide reasonable but not absolute assurance because of limitations inherent in any system of internal control against any material misstatements or fraud and is designed to manage rather than eliminate the risk of failure to achieve business objectives.

7.2 As a closed-end fund, the Fund employs an external management structure whereby all the Fund's functions are undertaken by external service providers. The Board's main internal control responsibilities are to oversee and review the functions of these external service providers.

8. Board Meetings

8.1 The Board shall conduct at least four (4) scheduled meetings annually, with additional meetings to be convened as and when necessary. The Articles of Association of the Fund stipulates the procedures for convening board meetings and the size and required attendance for the Board's quorum.

8.2 Board meeting agendas shall be the responsibility of the Chairman with input from Board Members and/or the Company Secretary.

8.3 During these meetings, the Board reviews the Fund's financial performance, reports of the various Board Committees and the Fund Manager and the results are deliberated and considered.

8.4 Full Board minutes of each Board meeting are kept by the Company Secretary and are available for inspection by any Director during office hours.

9.0 Share dealings by Board Members

9.1 Board members are allowed to hold shares in the Fund, recognising that this has the capacity, in many cases, to increase the focus of Board members on the Fund's performance and share value and therefore will be in the interests of all shareowners.

- 9.2 When buying or selling shares, Board members must strictly observe the provisions of the MMLR, Companies Act 1965, Capital Markets and Services Act 2007, the Fund's Articles of Association, and other relevant legislative or regulatory procedures, and should follow any procedural recommendations prescribed by the Board from time to time.

10.0 Board Evaluation and Performance

- 10.1 The Nomination Committee shall evaluate the performance of the Board members on an annual basis.
- 10.2 The Audit Committee shall also be reviewed by the Nomination Committee to ascertain its performance and effectiveness on an annual basis.
- 10.3 The Board as a whole shall review the performance and effectiveness of the Nomination Committee on an annual basis.

11.0 Financial Reporting

The Board shall ensure that the financial statements are prepared in accordance with the approved accounting standards and the Companies Act, 1965, so as to give a true and fair view of the state of affairs of the Fund.

12.0 Directors' Fees

As the Fund does not have any executive directors, the determination of fees of the Non-Executive Directors shall be a matter of the Board as a whole. The Director concerned shall abstain from deliberation and voting on his/her own fees.

13.0 Directors' Training and Induction for Newly Appointed Directors

- 13.1 In addition to the Mandatory Accreditation Programme as required by Bursa Securities, the Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes. This will enable the Directors to effectively discharge their duties and maintain active participation in the Board deliberations. With assistance from the Nomination Committee, the Board shall assess the training needs of the Directors on an on-going basis.
- 13.2 Additionally, the Board is regularly updated by the Company Secretary on new statutory, corporate and regulatory developments relating to the Directors' duties and responsibilities.
- 13.3 The Board shall ensure compliance of the Mandatory Accredited Programme of Bursa Securities for newly appointed Directors.
- 13.4 Appropriate induction programme for newly appointed Directors shall also be carried out with the assistance of the Fund Manager.

14.0 Company Secretary

- 14.1 The appointment or removal of Company Secretary or Secretaries of the Board shall be the prerogative of the Board as a whole. The Secretary appointed should be suitably qualified and competent in order to support the Board in carrying out its roles and responsibilities.
- 14.2 The Secretary is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.
- 14.3 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.

15.0 Investor Relations and Shareowner Communication

- 15.1 The Board shall endeavor to familiarise itself with issues of concern to Shareowners.
- 15.2 The Board shall place great importance in ensuring the high standards of transparency and accountability in its communication to shareowners, as well as to potential investors, analysts and the public.
- 15.3 The means of communication to shareowners and investors, amongst others, are as follows:
- (i) the general meetings of the Fund;
 - (ii) timely announcements and disclosures made to Bursa Securities, which includes release of financial results on quarterly basis and any other material information that may affect the decisions of the shareowners and investors;
 - (iii) press conference and/or press release to the media; and
 - (iv) conducts regular dialogues with financial analysts;
- as and when necessary.
- 15.4 The Board shall be guided by the Corporate Disclosure Guide issued by Bursa Securities.

16.0 Access to Information and Independent Advice

- 16.1 The Directors, collectively or individually, have unrestricted access to the advice of the Company Secretary and may also seek independent professional advice and information in the furtherance of their duties and responsibilities at the Fund's expense, so as to ensure that the Directors are able to make independent and informed decisions.
- 16.2 Fees for independent professional advice shall be payable by the Fund subject to the following:-
- (i) first, discuss with the Chairman;
 - (ii) provide a written notice to the Company Secretary of his intention to seek independent advice with brief summary of the subject matter; and
 - (iii) the Board shall be notified and approval be obtained prior to the engagement of the professional advisors.
- 16.3 Independent advice sought shall exclude those of personal interests relating to the Director's personal disputes in matters that are not related to or affect the Board or the Fund as a whole.

17.0 Code of Ethics and Conduct

In the performance of his duties, a Director should:

- (a) have a clear understanding of the investment objectives, investment policies and investment restrictions of the Fund;
- (b) devote sufficient time and effort to carry out his duties and responsibilities and attend meetings;
- (c) ensure at all times that the Fund is properly managed and effectively controlled;
- (d) stay abreast of the affairs of the Fund and be kept informed of the Fund's compliance with the relevant legislation and contractual requirements;
- (e) should limit his directorship of companies to a number in which he/she can best devote his/her time and effectiveness. Each director is his/her own judge of his/her abilities and how best to manage his/her time effectively in the company in which he/she holds directorship. A Director should notify the Chairman and Company Secretary before accepting any other new directorships;
- (f) have access to the advice and services of the Company Secretary;
- (g) at all times exercise his/her powers for the purposes they were conferred, for the benefit and prosperity of the Fund;
- (h) disclose immediately all contractual interests whether directly or indirectly with the Fund;
- (i) neither divert to his/her own advantage any opportunity that the Fund is pursuing, nor may he/she use confidential information obtained by reason of his/her office for his/her own advantage or that of others;

- (j) at all times act with utmost good faith towards the Fund in any transaction and to act honestly and responsibly in the exercise of his/her powers in discharging duties;
- (k) be willing to exercise independent judgment and, if necessary, openly oppose if the vital interest of the Fund is at stake; and
- (l) should be conscious of the interest of shareowners of the Fund.

18.0 Review of the Board Charter

- 18.1 This Board Charter was adopted by the Board on 2 July 2013. The Board Charter shall be periodically reviewed and updated in accordance with the practicality and needs of the Fund and any new regulations that may have an impact on the discharge of the Board's duties and responsibilities.
- 18.2 The Board Charter is made available for reference in the Fund's website at www.icapital.my