



TAS OFFSHORE BERHAD

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BOARD CHARTER

INTRODUCTION

The Directors of TAS Offshore Berhad (TAS) regard Corporate Governance as vitally important to the success of TAS 's business and are unreservedly committed to applying the principles necessary to ensure that the following principles of good governance is practised in all of its business dealings in respect of its shareholders and relevant stakeholders:

- The Board is the focal point of the Company's Corporate Governance system. It is ultimately accountable and responsible for the performance and affairs of the Company.
- All Board members are expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.
- All Board members are responsible to the Company for achieving a high level of good governance.
- This Board Charter shall constitute and form an integral part of each Director's duties and responsibilities.

OBJECTIVES

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

ROLES AND RESPONSIBILITIES OF THE BOARD

1. The Board is responsible for the proper stewardship of the Company and its subsidiaries and is charged with leading and managing the Company in an effective and responsible manner. The Directors, collectively and individually, has a legal and fiduciary duty to act in the best interest of the Company and to effectively represent and promote the interests of the shareholders and stakeholders with a view to achieve its vision towards corporate sustainability.
2. The Board has the following major responsibilities, which facilitate the discharge of the Board's stewardship in the pursuit of the best interest of the Company:
 - a) Ensuring that the strategic plan of the Company supports long term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
 - b) Overseeing the conduct of the Company's businesses to evaluate whether the business is being properly managed;
 - c) Identifying and understanding the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks;
 - d) Establishing a succession plan; including appointing, training, fixing the remuneration of and where appropriate, replacing senior management of the Group.

- e) Reviewing the adequacy of the internal control policy systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
- f) Ensuring that the Company has in place procedures to enable effective communication with stakeholders; and
- g) Ensuring the integrity of the Company's financial and non-financial reporting.

BOARD MEMBERSHIP AND GUIDELINES

1. Composition and Board Balance

- a) At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members are Independent Directors as defined in the Main Market Listing Requirement (LR).
- b) The Independent Directors help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.
- c) The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Prior to attaining the stipulated number of years, the Nomination Committee (NC) will consider the following and recommend to the Board accordingly:
 - I. whether the Independent Director to continue to serve on the Board subject to his re-designation as a Non-Independent Director; or
 - II. whether to seek shareholders' approval in order to retain him as an Independent Director.
- d) If the Board continues to retain the independent director after 12 years, the Board shall seek annual shareholders' approval through a two-tier voting process.
- e) Independent Directors are expected to advise the Chairman immediately if they believe that they may no longer be independent.
- f) The Board is responsible to determine the appropriate size of the Board. The screening and evaluation process for potential new directors and directors to be nominated for re-election are delegated to the NC.
- g) The Board has never practiced nor allowed gender biasness as they believe that the ability and capability of an individual should be the priority to place in appointing a director.

2. Board Appointments

- a) The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the NC.

- b) New Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board performance of its duties and to give sufficient time and attention to the affairs of the Company.
- c) New Board Members shall be briefed on the terms of the appointment, their duties and obligations on the operations of the Group and the restriction to which he or she is subject to in relation to price-sensitive information and dealings in the Company's securities will be explained.
- d) All Directors are subject to retirement by rotation.
- e) Board members may hold shares in the Company. When buying or selling shares in the Company, Board Members must strictly observe the provisions of the Articles of Association, the Directors' Code of Ethics and all relevant legislative and regulatory requirements.
- f) Any Director of the Company, while holding office, is at liberty to accept other Board appointments so long as the appointment is not in conflict with the business and does not affect his performance as a director.
- g) Upon acceptance of the appointment, Directors are required to notify the Chairman of his/her new Directorship (only applicable for listed companies) within 7 days from the date of appointment.
- h) The Directors are guided by the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on attendance of at least 50% of Board Meetings held in a financial year and that directorships held by any Board member at any one time shall not exceed five (5) in listed companies.

3. Board training and development

- a) The training needs of the Directors will be reviewed by the NC on a regular basis to ensure that they are acquainted with the latest developments pertaining to the laws and regulations and changing commercial risks which may affect the Board and/or the Company.
- b) In addition to the Mandatory Accredited Programme (MAP) as required by Bursa Securities, Board members are also encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Company's operations and business. The Board will disclose in the Annual Report the trainings attended by the Directors.

4. Chairman & Group Managing Director

- a) The Company aims to ensure a balance of power and authority between the Chairman and the Group Managing Director (GMD) with a clear division of responsibility between the running of the Board and the Company's business respectively. The positions of Chairman (ie. Non-Executive Chairman) and GMD are separated and clearly defined.
- b) The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board and act as facilitator at meetings of the Board and shareholders.
- c) The GMD leads the executive management and is responsible for the implementation of

Group's policies and strategies besides overseeing and managing the day-to-day operations of the Group.

- d) In the event that the Chairman of the Board is not an independent director, the board must comprise a majority of independent directors.
- e) The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of the Board's role.
- f) The Chairman is responsible for:
- leading the Board in setting the values and standards of the Company;
 - maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
 - ensuring the provision of accurate, timely and clear information to Directors;
 - ensuring effective communication with shareholders and relevant stakeholders;
 - arranging regular evaluation of the performance of the Board, its Committees and individual Directors; and
 - facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors; and
 - leading the Board in establishing and monitoring good corporate governance practices in the Company.
- g) The Chairman is responsible for managing the business of the Board to ensure that :
- all Directors are properly briefed on issues arising at Board meetings;
 - sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion;
 - dissensions on important and critical issues are encouraged and where necessary recorded; and
 - issues discussed are forward looking and concentrate on strategy.
- h) The GMD is responsible for the following :
- as the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions.
 - has the executive responsibility for the day-to-day operation of the Company's business.
 - implements the policies, strategies and decisions adopted by the Board and where such are not implemented, to report back to the Board timely and with explanations on why these were so.

- i) All Board authorities conferred on the Management is delegated through the GMD and this will be considered as the CEO's authority and accountability as far as the Board is concerned.

5. Board Committees

- a) The Board may delegate specified matters to individual members or committees of the Board to oversee critical or major functional areas and to address matters which required detailed review or in-depth consideration.
- b) All such committee must be provided with written terms of reference which state clearly the extend and limits of their responsibilities and authority, specifically whether they have authority to decide on behalf of the Board or are to report back to the Board.
- c) The Board appoints the following Board Committees with specific terms of reference:
 - Audit Committee
 - Nomination Committee
 - Remuneration Committee

BOARD MEETINGS

1. The Board will normally hold meetings at least four (4) times in each financial year and will hold additional meetings as the situation requires.
2. Directors will use their best endeavour to attend the Board Meetings. Directors are expected to prepare themselves thoroughly and to participate fully and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board.
3. The Board has sole authority over its agenda and exercises this through the Chairman. Any Director may, through the Chairman, request the addition of an item to the agenda. The Chairman in consultation with the Group Managing Director and the Company Secretary, will set the agenda.
4. Directors who are unable to attend the Board Meetings shall accordingly advise the Chairman, Group Managing Director and/or the Company Secretaries on the same at the earliest time possible.
5. Board discussions will be open and constructive, recognising that genuinely held differences of opinion could bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek a consensus of the Board but may, where considered necessary, call for a vote. All discussions and their record will remain confidential unless there is a specific direction from the Board to the contrary, or disclosure is required by law. Subject to legal or regulatory requirements the Board will decide the manner and timing of the publication of its decisions.
6. Directors are expected to strictly observe confidentiality of Company information.

ACCESS TO INFORMATION AND ADVICE

1. The Company aims to provide all Directors with timely and quality information and in a form and manner appropriate for them to discharge their duties effectively.
2. The Management is responsible for providing the Board with the required information in an appropriate and timely manner. The Chairman, assisted by the Company Secretary, assesses the type of information required to be provided to the Board. If the information provided by the Management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.
3. The full agenda and comprehensive Board papers are disseminated to all Directors in advance of meetings to enable them to prepare for the meetings.
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.
5. The Board meeting papers provided to the Directors include progress reports on business operations, financial results, information on business propositions, industry outlook, operational and regulatory compliance matters, corporate proposals besides minutes of meeting of Board Committees and Management. For corporate proposals deemed material and price-sensitive, supporting papers would be circulated to the Directors during the Board meeting.
6. At Board meetings, the Management presents and provides explanation on the reports provided. Senior Management and Consultants may be invited to attend the Board meetings to advise or give detailed explanation and clarification on relevant agenda items to enable the Board to make informed decisions. Any Director who has a direct or indirect interest in the subject matter to be deliberated on shall abstain from deliberation and voting on the same.
7. Directors are entitled to have access, at all reasonable times, to all relevant Company information and to Management and have at least two (2) sessions in a year with the External Auditors.
8. The Directors, whether as full Board or individual capacity, may seek independent professional advice in furtherance of their duties. If such advice is considered necessary, it shall be first discussed with the Chairman and having done so, shall be free to proceed. Subject to the prior approval of the Chairman, the cost of the advice will be reimbursed by the Company but the Directors will ensure, so far as is practicable, that the cost is reasonable.
9. The Directors have unlimited access to the professional advice and services of the Company Secretary.

REMUNERATION OF DIRECTORS

1. The Company's remuneration policy for Directors is to provide remuneration at the level and make-up sufficient to attract, motivate and retain the Directors to contribute positively to the Company's performance. The Board as a whole determines the Directors' remuneration with the individual Director abstaining from discussion on his/her own remuneration.

2. The remuneration of Directors who hold executive offices shall be decided by the Board, taking into consideration the recommendations of the Remuneration Committee.
3. Non-Executive Directors will be paid a fee for acting as Directors of the Board and Board Committee members. They are also paid meeting allowances for their attendance at meetings, and other allowances and benefits for their additional responsibilities in the Board. The fees, allowances and benefits payable to Non-Executive Directors are determined by the Board, subject to shareholders' approval.

FINANCIAL REPORTING

1. Transparency

- a) The Company aims to present a clear and balanced assessment of the Company's financial position and future prospects that extends to the interim and price-sensitive information and other relevant reports submitted to the regulators.
- b) The Directors ensure that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the approved accounting standards.
- c) The Company's practice is to announce to Bursa Securities its quarterly financial results as early as possible within two (2) months after the end of each quarterly financial period.

2. Company Auditor

- a) The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company Auditors through its Audit Committee.
- b) The Audit Committee also keeps under review the scope and results of the audit and the independence and objectivity of the Company Auditors.

3. Internal Controls and Risk Management

- a) The Company has an internal audit function, which critically reviews all aspects of the Company's activities and its internal controls. Comprehensive audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries are undertaken on a regular basis. The Head of Internal Audit has direct access to the Board through the Chairman of the Audit Committee.
- b) The Board ensures the system of internal controls is reviewed on a regular basis. The Audit Committee receives reports regarding the outcome of such reviews on a regular basis.

BOARD AND MEMBER ASSESSMENT

1. The Chairman keeps under review, informally, the contributions made by Board members. The NC is given the task to review annually the activities and effectiveness of the Board and the Board members. The Chairman of the NC oversees the overall evaluation process.

2. The NC is required to report annually an assessment of the Board's and its committee's performance. The assessment report together with the report on the Board balance (the required mix of skills and experience and other qualities) will be discussed with the full Board. This exercise is carried out after the end of each financial year or such other time as may be deemed appropriate.

COMPANY SECRETARY

1. The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfills the functions as an independent officer for which he/she has been appointed.
2. 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.
3. The Company Secretary should advise Directors of their obligations to adhere to matters relating to:
 - disclosure of interest in securities;
 - disclosure of any conflict of interest in a transaction involving the Company;
 - prohibition on dealing in securities; and
 - restrictions on disclosure of price-sensitive information.
4. The Company Secretary must keep abreast of, and inform, the Board of current governance practices.

INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

1. The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.
2. The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.
3. The Company may conduct dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.
4. A press conference may be held after each General Meeting. At this press conference, the Chairman or CEO will give a press release stating the Company's results, their prospects and outline any specific event for notation. All press releases will be vetted prior to the Corporate Disclosure Committee to ensure that information that has yet to be released to Bursa Securities is not released to the press.

5. The Company's website provides easy access to corporate information pertaining to the Company and its activities.

CODE OF CONDUCT AND ETHICS

The Board shall formalise and maintain a set of ethical standards of behaviour expected of all Directors including managing conflict of interest, preventing abuse of power, corruption, insider trading and money laundering. Details of the Code of Conduct and Ethics are published on the Company's website.

WHISTLE BLOWING POLICY

The Board shall establish, review and together with Management implement appropriate policies and procedures on whistleblowing.

RELATIONSHIP WITH OTHER STAKEHOLDERS

1. In the course of pursuing the vision and mission of the Company, the Board recognises that no Company can exist by maximising shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.

a) Employees

The Board acknowledges that the employees are invaluable assets of the Company and play a vital role in achieving the vision and mission of the Company.

b) Environment

The Board acknowledges the need to safeguard and minimise the impact to the environment in the course of achieving the Company's vision and mission.

c) Social Responsibility

The Board acknowledges that the Company should play a vital role in contributing towards the welfare of the community in which it operates. The Company supports charitable causes and initiatives on community development projects.

APPLICATION

1. The principles set out in this Charter:
 - a) follow what the Board believes to be good corporate governance practices expected of a listed company and as mandated by the relevant regulatory authorities;
 - b) will be reviewed and updated regularly in line with changes in the expectations of the investment public and stakeholders of the company in general and guidelines issued by the regulatory authorities from time to time; and

- c) for disclosure purposes, summarised in the Annual Report as part of a narrative statement by the Directors on Corporate Governance.
- 2. The Board endeavours to comply at all times with the principles and practices set out in this Charter.
- 3. Any updates to the principles and practices set out in this Charter will be made available on the Company's website.
- 4. This Charter will be reviewed periodically to ensure they remain consistent with the Board's objectives and responsibilities as well as relevant standard of corporate governance.

Revised on 25 October 2018