

REGAAL RESOURCES LIMITED

CHARTER OF THE BOARD OF DIRECTORS

1. INTRODUCTION

The Board of Directors (the “**Board**”) of REGAAL RESOURCES LIMITED (“**RRL** or the “**Company**”) adopts this Charter to outline the manner in which the powers and responsibilities of the Board will be exercised and discharged, having regard to principles of applicable laws and good corporate governance practices.

This Board Charter shall also constitute and form an integral part of each Director’s duties and responsibilities.

This Board Charter is not an “all inclusive” document and should be read as a broad expression of principles.

2. ROLES AND RESPONSIBILITIES OF BOARD

The Board is the apex authority appointed by shareholders of a company to monitor and direct operations and management of the business of the Company. Board shall assess external environment, decide business strategy, appoint and compensate executive management, delegate powers, review performance and set up checks and balances.

The Board is empowered to manage the Company business and affairs with diligence, prudence and transparency. It can exercise all powers over the business except those reserved with shareholders by law.

In discharging its responsibilities and facilitating its on-going oversight on the Company, the Board’s key responsibilities includes, but not limited to the following: -

I. Ethics and Compliance

- The Board is charged with leading and managing the Company in an effective and responsible manner. Each Director has a legal duty to act in the best interest of the Company. The Directors are, collectively and individually, aware of their responsibilities to the shareholders and other stakeholders for the manner in which the affairs of the Company are managed. The Board sets the Company’s values and standards and ensures that its obligations to its stakeholders are understood and met.
- All Directors should observe high ethical business standards, honesty and integrity and to apply these values to all aspects of the Company’s business and professional practice and act in good faith in the best interests of the Company and its stakeholders.
- The Board understands that the responsibility for good corporate governance rests with them and therefore strives to comprehend and apply the principles and practices stated in the applicable laws.
- The Board meets in person at least once every quarter to facilitate the discharge of their responsibilities. Members of the Management who are not Directors may be invited to attend and speak at meetings on

matters relating to their sphere of responsibility.

- The Board is responsible for ensuring the integrity of the Company's financial and non-financial reporting.

II. CEO, KMP Hiring, KRAs & Compensation:

The Board shall, based on review and recommendations of the Nomination and Remuneration Committee

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- appoint Managing Director / Chief Executive Officer and other key management executives, including Company Secretary; and approve their compensation plan
- draw up annual KRAs of Managing Director / Chief Executive Officer and other key management executives in line with the business plan and objectives.

III. Policies and Strategies

- The Board shall receive, review and approve the strategy and risk management plan on an annual basis and monitor performance against plan on a periodic basis (quarterly) basis to identify, suggest and approve revisions to the same during the year;
- The Board oversees the Company Policies as a whole. This includes the Risk Management Policy, Code of Business Conduct and Ethics, Whistle blower Policy, Corporate Social Responsibility Policy and other significant policies required as per governing laws;
- The Board shall oversee how the culture of the Company is shaped, create accountability, monitor how culture and talent metrics are measured to keep a pulse on how culture is evolving;
- reviewing, approving and monitoring the overall strategies and direction of the Company and to ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;

IV. Internal Controls, Financial Accountability and Risk Management

- The Board shall oversee the conduct of the company's business and assessing the Company's business and other enterprise risks to evaluate whether the business is being properly managed;
- The Board shall review and approve the Company's major financial objectives, strategy, operating plans, and other significant actions;
- The Board shall oversee the Company's processes for maintaining the integrity of the Company's financial statements and other public disclosures, proper safeguarding of the assets of the Company and the Company's compliance with law and ethics;
- Take reasonable steps to ensure the implementation and integrity of Company's internal controls and monitoring mechanism by which the Company operates;
- The Board shall oversee that the Company has a well-resourced internal audit function, which critically reviews all aspects of the Company's activities and its internal controls;

- Take reasonable steps towards identifying, understanding and managing principal risks affecting the Company and to recognize that business decisions involve the taking of appropriate risks;
- Take reasonable steps towards reviewing and monitoring systems of risk management and internal compliance and controls, codes of conduct, continuous disclosure, legal compliance and other significant corporate policies;

3. ROLE OF INDIVIDUAL DIRECTORS

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

- acting in good faith and in the best interests of the Company as a whole and for proper purpose;
- acting with care and diligence of reasonable person subject to business judgement rule;
- avoiding conflicts of interest with the Company in a personal or professional capacity;
- refraining from making improper use of information gained through the position of Director and from taking improper advantage of the position of Director;
- disclosure of and abstaining from voting on matters of material personal interest;
- compliance with Corporation laws, securities legislation and listing requirements;
- Directors will keep all Board information, discussions, deliberations and decisions that are not publicly known confidential and not use information gained through the Board for their interest, or their employers' interest.

4. ROLE OF CHAIRMAN

- The Chairman leads the Board and is responsible for the effective performance of the Board;
- The Chairman is, amongst others, responsible to: -
 - Monitor the workings of the Board, especially the conduct of Board meetings;
 - Ensure that all relevant issues for the effective running of the Company's business are on the agenda;
 - Ensure that quality information to facilitate decision-making is delivered to Board members on a timely basis;
 - Encourage all Directors to play an active role in Board activities and allowing dissenting views to be freely expressed;
 - Chair general meetings of shareholders;

- vi. Provide guidance and mentoring to the CEO & MD, if any;
- vii. Ensure the process of Board evaluation is conducted;
- viii. Ensure appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;
- ix. Leading the Board in establishing and monitoring good corporate governance practices in the Company;
- x. Fulfil such other responsibilities as are allocated for the best interest of the Company from time to time; and
- xi. The Chairman ensures that Executive Directors look beyond their executive functions and accept their full share of responsibilities on governance.
- xii. Ensure all Independent Directors have an opportunity to provide input on the agenda, and advise the Chairman on the quality, quantity and timeliness of the information submitted by management that is necessary or appropriate for the Independent Directors to perform their duties effectively;

5. ROLE OF INDEPENDENT DIRECTOR(S)

The Board may appoint Independent Non-Executive Director(s) in pursuance to the applicable laws. Independent Director acts as a guide, coach, and mentor to the Company. The role includes improving corporate credibility and governance standards by working as a watchdog and help in managing risk. Independent directors are responsible for ensuring better governance by actively involving in various committees set up by the Company.

The Board undertakes to assess the independence of the Independent Directors on an annual basis upon readmission or when any new interest or relationship develops.

6. ROLE OF MANAGING DIRECTOR

- a. The MD is primarily accountable for overseeing the day-to-day operations to ensure the smooth and effective running of the Company.
- b. The MD is responsible for the development and implementation of the strategies for the Company and setting the overall strategic policy and direction of the Company's business operations based on effective risk management controls.
- c. The MD ensures that the financial management practice is performed at the highest level of integrity and transparency and that the business and affairs of the Company are carried out in an ethical manner

and in compliance with the relevant laws and regulations.

- d. The MD provides effective leadership to the Company and is responsible for ensuring high management competency and that an effective management succession plan is in place to sustain continuity of operations.
- e. The MD is the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions.
- f. The MD implements the policies, strategies and decisions adopted by the Board. All Board authorities conferred on the Management is delegated through the MD and this will be considered as the MD's authority and accountability as far as the Board is concerned.

7. COMMITTEES & DELEGATION PROTOCOL

The Board appoints the following Committees in accordance with the applicable laws:

- I. Audit Committee ("AC")
 - II. Nominating and Remuneration Committee ("NRC")
 - III. Stakeholders Relationship Committee ("SRC")
 - IV. Risk Management Committee ("RMC")
 - V. Corporate Social Responsibility Committee ('CSRC')
- a. These Committees are designed to consider specific matters and make recommendations to the Board. The Board must make an independent assessment of the recommendations, having regard to the Board's knowledge of the business and risks of the Company and the complexity of the structures and operations of the Company.
 - b. Along with Committees required to be formed statutorily, the Board may, from time to time, form new committees comprising of Board members, executives as it deems appropriate. The Board may, to the extent permitted by law, delegate any of its functions and responsibilities to a committee of the Board.
 - c. The Board shall approve charter of each committee. While constituting each Committee, the Board shall clearly specify objective of each committee, terms of reference, roles and responsibilities, appoint Chairperson, define quorum, frequency of meetings.
 - d. The Committee shall approve minutes which clearly record decisions taken and action points. The Committee shall review progress on action taken at each meeting.
 - e. Chairperson of each Committee shall report to the Board about its proceedings at least once in a calendar quarter at a meeting of the Board.

- f. The Board shall approve Delegation of Authority Matrix containing adequate delegation of authority, built in internal controls, enabling swift and effective decision making. The Board shall review the Matrix documents at periodic interval or on occurring of events which warrant immediate alteration.

8. BOARD GOVERNANCE:

a. Meetings and frequency:

- Meetings of the Board should be held at least four (4) times per year in such a manner that not more than 120 days shall intervene between two consecutive meetings of the Board, to ensure that all Directors are kept informed on a timely basis of all material quality information affecting the Company and, in a form, and manner appropriate for them to discharge their duties effectively, or as frequently as required.
- The calendar of dates for the Board meetings and Committee meetings of the Board, for quarterly results and other business of routine nature, shall be decided by the Board in advance and shall be formally circulated to each of the Board members. A meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means prescribed under the Companies Act, 2013.
- For any matter relating to significant business decision making, meeting of the Board can be called at shorter notice within the prescribed provisions of the applicable laws.
- The independent directors should hold regularly scheduled meetings at least once a year at which non-independent directors and members of management are not in attendance
- The Board shall meet once in a year at an Annual Conference where it discusses various long-term strategic issues relating to the Company. The Board shall endeavour to have one informal gathering of Board members, senior company officials.

b. Agenda and distribution of board material:

- The agenda for the Board meetings should be sent to the Directors seven days prior to the Board meeting. In case of exigency Board may allow meetings at shorter notice.
- The agenda and meeting schedule must permit adequate time for discussion and a healthy exchange between Board members and management.
- All information relevant to the Board's understanding of matters and specific information sought by Board members pertaining matters to be discussed at an upcoming Board meeting shall be distributed electronically to all members one week in advance.
- The Board acknowledges that certain items to be discussed at Board meetings are of an extremely sensitive nature and that the distribution of materials on these matters prior to Board meetings may not be appropriate.

c. Attendance

- All Directors are expected to attend the company's annual general meeting (and extra ordinary general meeting), except if unusual circumstances make attendance impractical. Disclosure of such exception should be made in the general meeting.
- The quorum for a meeting of the Board of Directors of a company shall be one-third of its total strength or two directors, whichever is higher, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.

d. Minutes

- The minutes of the board meeting shall be circulated to each member of the Board of Directors within fifteen days of the board meeting.
- The minutes of proceedings of each meeting shall be entered in the books maintained for that purpose along with the date of such entry within thirty days of the conclusion of the meeting.
- A copy of the signed Minutes certified by the Company Secretary or where there is no Company Secretary, by any Director authorised by the Board shall be circulated to all Directors within fifteen days after these are signed.

- The minutes of a meeting are taken as having been approved if the members of the Board of Directors do not submit a written objection to the Chairman within 7 days of the date on which the minutes were circulated.

e. **Circulating resolutions**

- i. Decisions or resolutions of the Board of Directors are normally reached at a meeting. However, the Company also provide for the passing of resolutions without having to hold a meeting. However, urgent matters that cannot wait until the next Board meeting can be dealt with by a circulating resolution. Circulating resolutions should be prepared in accordance with the prevailing laws applicable to and should be approved by the Chairman before being circulated.
- ii. Where a decision is to be passed by circular resolution, the following will be observed: -
 1. The subject matter in the circular resolution is not contentious in nature and material proposal will be deliberated in advance at Board meeting before any circular being subsequently circulated.
 2. All circular resolutions should be duly numbered to ensure a proper record of all resolutions which have been circulated.
 3. Relevant information and documentation (i.e. contract, declaration of interest by director) pertaining to the resolution to be passed should be attached to the circular resolution which is circulated to the Directors, so as to enable the Directors to make an informed decision.
 4. Circular resolutions, which do not require the signature of all Directors, should still be circulated to the entire Board. This is to ensure that the Board as a whole is aware of decisions that are being made.
 5. At Board meetings, circular resolutions, which have been passed since the last Board meeting, should be circulated for notation of the Board and should be taken on record in the subsequent board meeting.

f. **Annual General Meetings**

- i. The Board regards the AGM as an important event in the corporate calendar of which all Directors and key senior executives should attend.
- ii. The Company must ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll.

g. Evaluation of Board and its Committees

At least once a year, the Board of Directors shall (without the Management team being present) discuss its own activities and those of its individual members and its Committees, the effectiveness of such activities, and the composition and competence of the Board of Directors. Inputs emerging from the meeting of Independent Directors may also be considered in the discussion.

For the matter of clarification, Meeting hereby includes holding of any Board and/or its Committee Meetings through Video Conference ("VC") or any Other Audio Visual Mode ("OAVM").

9. COMPOSITION OF BOARD AND ITS COMMITTEES:

- a. Given the nature and presence of the Company's business, it is important to consider diversity of thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, in the Board mix.
- b. The Board shall include qualified members who bring the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees.
- c. Brief profile of each member of the Board of Directors shall be disclosed in the Company's annual report and posted on the Company's website.

10. NOMINATION AND APPOINTMENTS

The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the NRC and shall be in pursuance with the applicable laws.

- a. The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.
- b. Every newly appointed Director receives a formal letter, setting out his general duties and obligations as a Director pursuant to the relevant legislations and regulations. The new Director will also receive an induction pack containing information and documents relating to the role and responsibilities of a Director, the Company's principal businesses, the Company's Board processes and corporate governance practices, relevant company policies and procedures as well as a board meeting calendar for the year with a brief of the routine agenda for each meeting.
- c. Upon the appointment of a new Director, the Company Secretary advises the Director of his/her principal duties and responsibilities and explains the restrictions to which he or she is subject to in relation to price-sensitive information and dealings in the Company's securities. Thereafter, all Directors

are provided with appropriate briefings on the Company's affairs and latest Corporate Governance practices materials.

- d. The Company has adopted educational/ training programmes to update the Board in relation to new developments pertaining to the laws and regulations and changing commercial risks which may affect the Board and/or the Company.

11. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

Directors may access such information and seek such independent advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgment in decision making. Directors will be entitled to:-

- a. access members of the senior management via the CEO & MD at any time to request relevant and additional information or seek explanations;
- b. have access to internal and external auditors, without management present to seek explanations or additional information; and
- c. seek independent professional advice with the Chairman's prior consent, which will not be unreasonably withheld or delayed, and which will be at the Company's expense.
- d. The Board has established a procedure whereby the Directors, collectively or individually, may seek independent professional advice in furtherance of their duties at the Company's expense.

12. STAKEHOLDER COMMUNICATIONS

I. Investor Relations

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 methodology in respect of its relationship with its shareholders and investors.

II. Other Stakeholders

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 to be taken into consideration.

III. 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.

IV. Social Responsibility and Sustainability

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. In this regard, the Company adopts documented policies and procedures in the name of Corporate Social Responsibility Policy approved by the Board, as part of its commitment to protect the environment and contribute towards sustainable development.

13. CODE OF BUSINESS CONDUCT AND ETHICS

- a. The Board shall be responsible for defining the code of conduct and ethics for the Company including its Board
- b. The Directors are expected to conduct themselves with the highest ethical standards. All Directors and employees are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Company.
- c. The Board shall periodically review and refresh of code of conduct and ethics;
- d. The Code of Conduct, Integrity and Ethics must spell out boundaries which are supreme above business interest;
- e. The Code shall be understood and acknowledged by each and every stakeholder;
- f. The Board shall be committed to upholding the highest legal and ethical conduct in fulfilling its responsibilities;

14. APPLICATION

The principles set out in this Charter is applied in practice having regard to their spirit and general principles rather than to the letter alone; and

The Board will review every two (2) years and make any necessary amendments to the Charter to ensure they remain consistent with the Board's objectives, current law and practices. Any updates to the principles and practices set out in this Charter will be made available on the Company's website.