

# **BOARD CHARTER**

## **INTRODUCTION**

The main principle objective of the Board Charter is to set out the functions, role, responsibilities and composition of the Board and to ensure that all Board members acting on behalf of the Company are aware and have knowledge of their duties and responsibilities as Board members discharge its responsibility directly and through the various Committees.

## **ROLE OF THE BOARD**

The Board of Directors shall take full responsibility for the overall performance of the Company and discharge its obligations to the Shareholders. The main duties and responsibility of the Board comprise the following:-

- Setting the objectives, goals and strategic plan for the Company.
- Deliberating, monitoring, deciding and approving the Company's strategy, budgets, plans and policies.
- Overseeing the Company's business to evaluate whether the business activities are being properly managed.
- Retaining an effective and efficient Board with appropriate specialized skills and knowledge of the industry.
- Identifying principal and potential commercial risks and ensuring that the Company has the correct and appropriate systems to manage and mitigate these risks.
- Succession planning and as deemed fit appointing, training, fixing the compensation of and replacing any member of Key Senior Management.
- Maintaining an effective system of internal control to safeguard the Shareholder's investment and Company's assets.
- Approving the quarterly results and annual audited financial statements.
- Reviewing the Company's internal control management information systems in relation to compliance with the regulations rules, directives and guidelines of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Securities Commission (or any regulatory bodies) and state and federal laws.
- Developing and implementing an investor relations programme or Shareholder communications policy for the Company.

## **BOARD COMPOSITION**

The Board shall be helmed by a Chairman, appointed by the Board. At least half of the total number of directors on the Board, must be Independent Non-Executive Directors ("INEDs").

The tenure of INED shall be for a cumulative term of nine (9) years since appointment as INED. The INED may continue to serve on the Board beyond the nine (9)-year tenure provided the INED is re-designated as a Non-Independent Director. Where the Board is of the view that the Independent Director can continue beyond the nine (9)-year tenure, it must justify and seek shareholders' approval. The Board shall also identify, from amongst its members for inclusion in the Company's Annual Report, a Senior INED to whom concerns of fellow Directors, shareholders or stakeholders may be conveyed.

The Board will review the skills, experience and knowledge required of the Board members, in the context and requirement of the Company. The Board will review its composition and size from time to time to ensure its appropriateness and effectiveness.

Directors shall not sit on the boards of more than five (5) listed issuers. Before accepting any new directorship, Directors needs to assess whether there is potential conflict of interest that could arise as a result of the appointment, and shall notify the Chairman, the notification of which shall include an indication of time that will be spent on the new appointment and declaration there is no conflict of interest arising from the appointment.

## **ROLES AND RESPONSIBILITIES**

### **Role Of The Chairman**

Key responsibilities of the Chairman include:-

- providing leadership for the board so that the board can perform its responsibilities effectively;
- setting the board agenda and ensuring that board members receive complete and accurate information in a timely manner;
- leading board meetings and discussions;
- encouraging active participation and allowing dissenting views to be freely expressed;
- managing the interface between board and management;
- ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the board as a whole; and
- leading the board in establishing and monitoring good corporate governance practices in the company.

### **Role Of The Group Chief Executive Officer And Executive Directors**

- The Group Chief Executive Officer (“GCEO”), assisted by Chief Investment Officer and Chief Financial Officer, serves as a conduit between Management and the Board and is responsible for the effective implementation of the Company’s strategic plan and policies established by the Board, besides managing the daily operations of the Company;
- Generally, the GCEO, assisted by the management team of the Company (“Management”), is responsible to the Board for the following:-
  - i. achievement of agreed Company’s goals and observance of Management authorities delegated by the Board;
  - ii. developing long-term strategic and short-term business plans, designed to enable the Company’s requirements for growth, profitability and return on capital are achieved, subject to the Board’s review and adoption;
  - iii. providing assistance to members of the Board and the Board Committees, as required, in discharging their duties; and
  - iv. assisting the Chairman in organising information necessary for the Board to deal with the agenda and for providing such information to Directors on a timely basis;
- The Board shall receive the following from or through the GCEO at its scheduled meetings:

- i. reports on the performance and activities of the Group for the period under review, including explanations for significant fluctuations over the period; and
  - ii. where appropriate, a briefing pertaining to risk management issues, challenges faced by the Group, changes to legislations that may affect the Group's operations, litigations and other salient events or issues affecting the Group;
- The GCEO and Management shall act within all specific authorities delegated to them by the Board; and
- In discharging the above responsibilities, the GCEO can delegate appropriate functions to any relevant member of Management, who shall report to the GCEO.

### **Role Of Independent Non-Executive Directors**

The Board comprises Independent Non-Executive Directors (INED) that provides considerable depth of knowledge gained from experiences across diverse public and private companies. INEDs are independent from management and free from any business or relationship, which could materially interfere with the exercise of their independent judgment.

The INED shall provide independent judgement and objectivity without being subordinated to operational considerations. The INED's are to uphold the interests of all stakeholders 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 views and opinions of the INED shall carry significant weight in the Board's decision-making process.

If there are any Directors that hold differing views on any matter discussed at a Board Meeting, the Board minutes shall clearly reflect this.

### **Additional Role Of Senior Independent Non-Executive Director**

Senior Independent Director acts as the point of contact between the Independent Directors and Chairman on sensitive issues and has been identified as a designated contact to whom shareholders' concerns or queries may be raised, as an alternative to the formal channel of communication with shareholders.

### **Role Of The Company Secretary**

The appointment or removal of Company Secretary or Secretaries of the Board shall be the prerogative of the Board. The Company Secretary's role in advisory and assisting the Board and Committees in achieving good corporate governance and ensuring compliance of statutory laws, rules and regulations of the Companies Act, 2016, Main Market Listing Requirements of Bursa Securities, the Securities Commission guidelines and other relevant legislation and regulatory authorities.

In addition, the Company Secretary shall also maintain proper the Company's statutory records, register books and documents. These said records are essential to assist the Board to achieve and meeting and discharging their fiduciary responsibilities in accordance with the intent of good corporate governance, in addition to ensuring proper conduct at the Annual General Meetings, Extraordinary General Meetings, Board Committees' Meeting and any other meetings and the preparation of minutes thereat.

## **BOARD COMMITTEES**

The Board has 3 Board Committees with specific Terms of Reference:-

- Audit and Risk Management Committee
- Nomination and Remuneration Committee
- Sustainability Committee

## **BOARD MEETINGS**

The Board shall meet at least 5 times a year. Special meeting(s) may be convened as required. Notice of meetings and business to be conducted shall be given to members of the Board at least 7 days prior to the meeting.

Matters reserved for the Board to decide will include amongst others decision on Group strategic plans, corporate exercises, material acquisition and disposal of assets, investment or divestments, capital expenditure, risk management policies, nomination of auditors and review of the financial statement, financial and borrowing activities, ensuring regulatory compliance and reviewing the adequacy and integrity of internal controls.

A full agenda together with the relevant Board papers are circulated at least 7 days prior to the meeting to all the Directors which include, amongst others, the following:-

- the quarterly report highlighting unaudited Group financial results and factors affecting the Group results;
- minutes of meetings of the Board and all committees of the Board;
- status of sales performance;
- management proposals that required Board's approval;
- list of Directors' circular resolutions passed during the period covered;
- list of Directors' dealings in securities during the period covered;
- list of announcements submitted to Bursa Securities during the period covered; and
- major operational and financial and material legal issues.

The Company Secretary shall take minutes of the meetings which shall be reviewed and approved by the Chairman and management before being tabled to the Board at the next meeting.

## **AGENDA**

The Chairman, in conjunction with the Company Secretary(ies), shall assess the type of information needed to be supplied to the Board and the contents of the agenda. The agenda shall include, amongst others, matters specifically reserved for the Board's decision. The Board shall record its deliberation, in terms of the issues discussed, and the conclusions thereof, in discharging its duties and responsibilities.

## **MEETING PAPERS**

1. To allow sufficient time for Directors to consider the relevant information, Board papers and agenda items are to be circulated at least seven (7) days, or a shorter period where unavoidable,

prior to the meeting. Where there is a need to table a report, a brief statement of findings and/or recommendations is prepared.

2. Minutes are prepared following a Board meeting. The draft minutes shall be tabled at the following meeting for confirmation and signing.

## **APPOINTMENT AND RE-ELECTION**

The appointment of a new director is for consideration and decision by the full Board, upon the recommendation from the Nomination and Remuneration Committee ("NRC"). NRC and the Board will review and assess new candidates who are to be appointed onto the Board as well as Directors who are seeking re-appointment or re-election pursuant to the Constitution of the Company, based on the criteria required of directors as set forth in the Company's Directors' Fit and Proper Policy.

The Board will review its composition and size from time to time and take into account gender diversity to ensure its appropriateness and effectiveness.

All newly appointed Directors are required to participate a training programmes from time to time to provide them with necessary up to date information to enable them to participate and contribute effectively and efficiently to manage and direct the Company.

All directors are required to submit themselves for re-election every three (3) years. Full information is disclosed through the notice of meeting regarding directors who are retiring and who are willing to serve if so re-elected.

The tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the full nine (9) years, the independent director may either retire or continue to serve on the Board subject to the director's re-designation as a non-independent director. However, the Board may justify and seek shareholders' approval in the event that it retains an independent director, who has served a cumulative term of nine (9) years as an independent director of the Company.

The Board should use a variety of approaches and sources to ensure that it is able to identify the most suitable candidates. This may include sourcing from a directors' registry and open advertisements or the use of independent search firms.

## **DIRECTORS' ASSESSMENT / BOARD EVALUATION**

The Board recognizes the importance of assessing the effectiveness of individual Directors, the Board as a whole and its Committees. The Board reviews and evaluates its own performance as well as the performance of its Committees on an annual basis.

## **DIRECTORS' TRAINING PROGRAMME**

In addition to the mandatory Accreditation Programmes required by the Bursa Securities, the Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes to keep them abreast with the current development of industry as well as any the new statutory and regulatory requirements. This also will enable Directors to effectively discharge duties and sustain active participation in the Board deliberations.

The Board will assess the training needs of the Directors and shall disclose in the Annual Report the trainings attended by the Directors.

## **ACCESS TO INFORMATION AND INDEPENDENT ADVICE**

Directors shall have access to all information within the Company whether as a full Board or in their individual capacity, to the extent that the information required is pertinent to the discharge of their duties as Directors.

All Directors have access to the advice and services of the Company Secretaries in carrying out their duties.

## **FINANCIAL REPORTING**

The Company aims to present a clear and fair assessment of the Company's financial position and future prospects in respect of all quarterly results, annual audited financial statements and announcements issued by the Company.

The Board is assisted by the Audit and Risk Management Committee in scrutinizing information for disclosure to ensure its timeliness, accuracy, adequacy and compliance with the required standards, regulations and laws.

The Board ensures 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 and acceptable accounting standards.

## **INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION POLICY**

The Board shall ensure timely release of financial results and announcements to provide shareholders with an overview of the Company's performance, corporate exercises and strategies and any other matters affecting the investors and Shareholders' interests.

The Board shall maintain appropriate corporate disclosure policies and procedures which are in compliance with the Main Market Listing Requirements of Bursa Securities.

## **DIRECTORS REMUNERATION**

Non-Executive Directors will be paid a fee for acting as Directors of the Company, subject to approval by shareholders.

The remuneration of Executive Directors shall be recommended by the Nomination and Remuneration Committee with the individual Director concerned abstaining from discussing his individual remuneration. The amount of remuneration payable shall be determined with reference to corporate and individual performance of Directors.



## **CODE OF CONDUCT**

The Group has in place a formal Code of Conduct which emphasizes on ethical and professional behaviour of its's Directors and employees. It is imperative that the Group's business be operated and administered with the highest degree of integrity. Integrity and ethical standards must not be compromised in order to obtain short-term advantage. Thus, it is the responsibility of all to enhance the image of the Group by adhering to the Code of Conduct.

The Code of Conduct is issued as written guidelines. It establishes the minimum standards of conduct expected of the Group's employees. It defines the elements of decency and good judgment which are expected of the Group's employees and Directors.

Underlying the Code of Conduct are the following main principles:-

- a. Conflicts of Interest
- b. Fiduciary Duties
- c. Secrecy
- d. Competition with the Group
- e. Misapplication of Group's Assets
- f. Insider Trading and Abuse of Corporate Information
- g. Anti-Money Laundering

## **WHISTLEBLOWING**

The Group has put in place a Whistleblowing Policy with the aim to enable individuals to raise genuine concerns without fear of retaliation. This policy details the oversight and responsibilities of the whistleblowing process, the reporting process, protection and confidentiality given to the whistleblowers. An overview of the Whistleblowing Policy is available on the Group's website.

## **REVIEW OF THE BOARD CHARTER**

The Board shall review the said Charter periodically and any amendments/improvements shall be made thereto as and when the Board deems appropriate and necessary. Any subsequent amendments shall be approved by the Board.

Version 1.0 – Approved by the Board of Directors on 26.03.2018

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