

BOARD CHARTER

1. INTRODUCTION

The Board of Directors (“the Board”) is responsible for the performance and affairs of the Company and its subsidiaries (collectively “the Group”). The Board shall, in so far possible, apply the principles and practices of good corporate governance in all its dealings for, or on behalf of the Company and to uphold the core values of integrity and enterprise as part of their fiduciary duties and responsibilities.

2. PURPOSE

This Board Charter is to set out the roles, duties and responsibilities as well as the composition and processes to enable all Board members, acting on behalf of the Company, to be aware of their duties and responsibilities at all times.

It also serves as a comprehensive guide for prospective or new Board members and senior management to understand their roles and responsibilities and the commitment of time and contribution expected of them.

This Board Charter is subject to the provisions of the Companies Act 2016, the Company’s Constitution, Bursa Malaysia Securities Berhad (“Bursa”) Main Market Listing Requirements (“Listing Requirements”), the recommended principles of the Malaysian Code of Corporate Governance 2012 (“MCCG 2012”) and any other applicable law or regulatory requirements.

3. THE BOARD

3.1 Membership / Composition

The Board shall comprise a balance of executive and non-executive directors who are experienced and competent and have the time to effectively discharge their role as a director of the Company. Pursuant to the Company’s Constitution, the number of directors of the Company shall not be less than two (2) directors and not more than twelve (12).

The size, composition and diversity of the Board shall be reviewed and determined from time to time to reflect the Company’s requirements and to facilitate effective decision-making.

At least two (2) or one third (1/3) of the Board members, whichever is higher, shall be non-executive independent directors who provide independent judgement and objectivity. The Board (through the Nomination Committee) shall conduct an annual assessment of the independence of the independent directors. Where the tenure of an independent director exceeds a cumulative term of nine (9) years, the Board shall make recommendation and provide justifications to shareholders at a general meeting should it seek to retain the director as an independent director. Alternatively, the independent director may continue to serve on the Board subject to the director’s re-designation as a non-independent director.

The roles of the Independent Non-Executive Directors are particularly important in bringing independent judgement and ensuring all issues proposed by the executive management are fully discussed and examined to take into account the long term interests, not only of the shareholders, but also other stakeholders such as the employees, customers and business associates.

In determining the independence, the Board will consider the definition of “independent director” defined under Paragraph 1.01 of the Listing Requirements and assess the corporate governance practices in the light of the changing circumstances facing the Company. As such, the Board chooses not to take a prescriptive approach to independence, but to consider the independence of each Director, on a case by case basis, by taking into consideration the following factors:

- (i) The suitability and ability of an Independent Non-Executive Director to carry out his roles and responsibilities effectively should be based on his calibre, qualifications, experience, personal qualities and knowledge of the Group’s business operation and activities.
- (ii) The ability of an Independent Non-Executive Director must be independent of management 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 Company.

The Board has appointed an independent non-executive director to whom concerns relating to the Company and the Group can be conveyed.

3.2 Appointment and Re-election of Directors

The Nomination Committee (and the Remuneration Committee, where relevant) shall assist the Board in identifying and recommending suitable potential candidates with the relevant experience required (including gender considerations) for appointment as a director and for approval by the Board thereafter. Any new director so appointed shall be subject to re-election at the next annual general meeting (“AGM”) to be held immediately following the appointment.

At each AGM of the Company, one third (1/3) of the Board shall retire and be eligible for re-election and that all directors shall submit themselves for re-election once every three (3) years.

Further, all Board members are required to notify the Chairman of the Board before accepting new directorships outside the Group and indicating the time that will be spent on the new directorship. Similarly, the Chairman of the Board shall also do likewise before taking up any additional appointment of directorships.

The evaluation of the Board and each individual director, including the Chairman, will be performed annually.

3.3 Directors’ Training

All newly appointed directors will be briefed on the structure and the business activities of the Group and are required to attend the Mandatory Accreditation Programme as required under the Listing Requirements of Bursa.

All directors are encouraged to attend a continuous education or suitable training programme each year to ensure that each director receives regular briefings and updates on changes in risks, laws and regulations, economic scenario and the industry climate affecting the business, and to continuously upgrade their knowledge and understanding of their roles and responsibilities as directors.

4. DUTIES AND RESPONSIBILITIES

The Board as a whole

The duties and responsibilities of the Board include, inter-alia, the following:-

- (1) Review, evaluate, adopt and approve the strategic plans and policies for the Company and the Group.
- (2) Oversee and monitor the conduct of the businesses and financial performance and major capital commitments of the Company and the Group.
- (3) Review and adopt budgets and financial results of the Company and the Group, monitor compliance with applicable accounting standards and the integrity and adequacy of financial information disclosure.
- (4) Review and approve any major corporate proposals, new business ventures or joint ventures of the Group.
- (5) Review, evaluate and approve any material acquisitions and disposals of undertakings and assets in the Group.
- (6) Identify principal risks and assess the appropriate risk management systems to be implemented to manage these risks.
- (7) Establish and oversee a succession planning programme for the Company and the Group including the remuneration and compensation policy thereof.
- (8) Establish, review and implement corporate communication policies with the shareholders and investors, other key stakeholders and the public.
- (9) Review and determine the adequacy and integrity of the internal control systems and management information of the Company and the Group.
- (10) Develop a corporate code of conduct to address, amongst others, any conflicts of interest relating to directors, major shareholders and/or management.

The Chairman

The Chairman is elected by the Board to provide leadership at Board level and will preside at all Board meetings and general meetings of the Company. The Chairman will act independently in the best interest of the Group and is responsible for ensuring Board effectiveness and standard of conduct.

The Chairman will ensure that procedural rules are followed in the conduct of meetings and that decisions made are formally recorded and adopted. He/She also holds the primary executive responsibility for the Group's business performance and manages the Group in accordance with the strategies and policies approved by the Board. He/She leads the Executive Directors in making and implementing the day-to-day decisions on the business operations, managing resources and risks in pursuing the corporate objectives of the Group. He/She brings material and other relevant matters to the Board, motivates employees and drives change/innovation and growth within the Group.

The Managing Director & Chief Executive Officer

The Managing Director & Chief Executive Officer together with the Executive Directors have overall responsibilities on the management of the Group's businesses, policies and day-to-day operations.

He/She provides executive leadership and is accountable for the Board for implementation of strategies, objectives and decision of the Board within the framework of delegated authorities, values and policies.

5. BOARD COMMITTEES

The Board may from time to time establish appropriate Committees to assist it in the discharge of its responsibilities.

The Board has set up several Board Committees as well as Management Committees to assist the Board in discharging its duties and responsibilities.

The Board Committees that have been established by the Board are as follows:-

- a) Audit & Risk Committee
- b) Nomination Committee
- c) Remuneration Committee

The Management Committees that have been established by the Board are as follows:-

- a) Property Management Committee
- b) Tender Committee
- c) Treasury Investment Committee

Each Committee has its own specific terms of reference as approved by the Board. The powers and authority delegated to these Committees are also set out in the terms of reference of each of the Committees. The terms of reference of the Committees will be reviewed as and when needed and amended accordingly after approval by the Board.

The Board may also establish and delegate specific functions to ad hoc committees as and when required.

6. BOARD MEETINGS

Meetings of the Board will be held as frequently as the Board considers appropriate in order to discharge its duties as set out in this Charter but it will normally meet not less than four (4) times a year. Any Board member may call further meetings, if required.

Reasonable notice of meetings and the business to be considered shall be given to members of the Board, normally within a week before the Board meetings. The proceedings of the Board will be governed by the Company's Constitution. The Chairman, at his discretion, may invite the senior management or other senior executives or professional advisers to attend and to be heard at the Board meetings.

Board members must attend all scheduled meetings of the Board, including meetings called on an ad-hoc basis for special matters unless prior apology, with reasons, has been submitted/conveyed to the Chairman or Company Secretary. If the Chairman of the Board is absent from a meeting, the directors present must elect one of the directors present to act as chairman.

A detailed agenda, together with the supporting documentation, must be circulated, in advance of each meeting to the members of the Board and other invitees. Board members must be fully prepared for Board meetings to be able to provide appropriate and constructive input on matters for discussion and decisions.

The Company Secretary is the secretary to the Board and shall take minutes of the meetings. The minutes must be completed as soon as possible after the meeting and circulated to the Chairman and members of the Board for review thereof. The minutes must be formally approved by the Board at its next scheduled meeting.

7. BOARD POLICIES

Code of Conduct

To promote productivity and efficiency, and help to ensure a pleasant, safe, cooperative and productive working environment, the Group has adopted a Code of Conduct on 23 November 2009.

Corporate Disclosure Policies and Procedures

The Board does not formalize a corporate disclosure policies and procedures which would apply to the Company and the Group.

The disclosures made by the Company and the Group to Bursa, shareholders, investors and media are handled by the relevant personnel including the Company Secretary and/or the Corporate Communications and Investor Relations within the prescribed disclosure requirements under the Listing Requirements and guided by the Corporate Disclosure Guide issued by Bursa.

Such disclosures would only be released to Bursa, shareholders, investors and media after having reviewed and approved by the senior management and/or Executive Directors and/or Chairman and/or Managing Director & Chief Executive Officer and/or the Board as whole (where applicable).

8. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

The Board shall have unrestricted access to all Company information, documents, records and property.

The Board will ensure that every Board member has access to independent professional advice, both inside and outside the Company, as and when they consider necessary, in order for them to properly perform their duties.

9. ADOPTION AND REVIEW OF CHARTER

This Charter was adopted by the Board on 18 March 2014 and subsequently reviewed by the Board on 28 February 2017

This Charter will be reviewed as and when required and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. A copy of the Charter is available on the Company's website.