



A member of **UEM** 

**PLUS MALAYSIA BERHAD**

(Company No.:923639-A)

## **BOARD CHARTER**

(Adopted by the Board of Directors on 22 October 2018)

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# PLUS MALAYSIA BERHAD

## BOARD CHARTER

### 1. INTRODUCTION

The Board of PLUS Malaysia Berhad ("Company") is responsible for the corporate governance and performance of the Company and its subsidiaries (collectively, "Group") and is committed to achieving the highest standards of business integrity, ethics and professionalism across the Group's activities.

This Board Charter has been adopted by the Board and sets out the principles governing the Board. It is designed to enhance the standards of Corporate Governance with the intention of achieving the following:

- 1) to enable the Board to provide strategic guidance and effective oversight of management of the Company and the Group;
- 2) to clarify the roles and responsibilities of the members of the Board and Management to facilitate the Board's and Management's accountability to the Company and its shareholders; and
- 3) to assist the Board in the assessment of its own performance and of its individual Directors.

### 2. DUTIES AND RESPONSIBILITIES OF THE BOARD

- 2.1 The Board has the overall responsibility of directing and supervising the business and affairs of the Group. In carrying out its role, the Board assumes, among others, the following duties and responsibilities:

#### 2.1.1 *Strategic and Financial Objectives of the Group*

- 1) Reviewing and approving the strategic and financial plans of the Group.
- 2) Reviewing and approving the annual budgets, including major capital commitments.
- 3) Overseeing the conduct and performance of the Group to ensure that business is properly and appropriately managed. To discharge this duty, the Board will give specific and regular attention to:
  - a) monitoring performance against strategic and business plans;
  - b) monitoring performance against peer and competitor companies;
  - c) enquiring into and following up on areas of poor performance and their causes.

- 4) Ensuring that financial statements are prepared in accordance with the Companies Act, 2016 (including any amendments thereto) and applicable approved accounting reporting standards, so as to give a true and fair view of the state of affairs of the Company and the Group.

#### 2.1.2 **Personnel**

- 1) Appointing the Managing Director, including setting his/her terms of employment and where necessary, terminating his/her employment.
- 2) Ensuring an appropriate process is in place to recruit, review the performance of, remunerate, retain and develop the Managing Director and the Senior Management.
- 3) Ensuring that appropriate plans are in place for the succession of the Managing Director, other Board members and Senior Management.

#### 2.1.3 **Risk and Compliance Management and Internal Controls**

- 1) Approving and monitoring the Group's risk management strategy, internal controls & reporting systems (including their establishment and maintenance), evaluating their effectiveness and identifying and rectifying significant deficiencies.
- 2) Reviewing and monitoring the adequacy, effectiveness and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
- 3) Approving, reviewing and monitoring compliance with key corporate policies.
- 4) Subject to the Company's Discretionary Authority Limits, reviewing any litigation, actions, transactions and issues, papers and reports to external/third parties which impact the Company and may attract adverse public, government, regulatory or other interest.
- 5) Maintaining a firm stance in encouraging the reporting of unlawful or unethical behaviour and ensuring employees and management are assured of protection where violations are reported in good faith.

#### 2.1.4 **Sustainability**

- 1) Formalising and reviewing performance of key sustainability initiatives (including external comparisons) and recommending improvements, which should include environmental, ethical, social and governance aspects of the business.
- 2) Cascading understanding that sustainability brings long-term value to the Group.
- 3) Encouraging transparent reporting and assurance to increase credibility.

- 4) Encouraging the Group to leverage on information technology for effective dissemination of information.
- 2.2 Each Director will, at all times act in the interest of the Company as a whole, and will have regard to the interest of shareholders, employees and customers of the Group and the community and environment in which the Group operates.
- 2.3 ***Code of Ethics & Conduct***
  - 2.3.1 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. The Group communicates its Code of Conduct to all Directors and employees upon their appointment/employment and is deemed to be part of the Terms and Conditions of Service.
  - 2.3.2 Directors are required to declare their respective shareholdings, direct or indirect if any, in the Company and related companies and their interests, direct or indirect, in contracts or proposed contracts with the Company, any company under the Group or any of its related companies. The Directors concerned are to abstain from deliberating and voting in relation to these transactions or in matters affecting their personal, business or professional interests.
  - 2.3.3 Each Director will, at all times act honestly, fairly and diligently in all aspects in accordance with the laws applicable to the Company.
- 2.4 The Board shall establish corporate disclosure policy(ies) and procedures to ensure compliance with the disclosure requirements in accordance with relevant laws and regulations in which the Company operates.

### **3. COMPOSITION AND STRUCTURE OF THE BOARD**

- 3.1 The Board consists of qualified individuals with diverse set of skills, experience and knowledge necessary to govern the Company. The composition and size of the Board is such that it facilitates decision-making.
- 3.2 The Board is constituted in accordance with the Constitution (also known as Memorandum & Articles of Association) of the Company. The Constitution of the Company provides for a minimum of two (2) directors and in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum, the continuing Director or Directors may except in an emergency act only for the purpose of increasing the number of Directors to such minimum number or to summon a general meeting of the Company.
- 3.3 It is recommended that at any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members are Independent Directors.
- 3.4 The Board, through the Nomination & Remuneration Committee ("NRC"), will take steps to ensure that women candidates are sought as part of its recruitment exercise.

### 3.5 ***Appointments and Re-election of Directors***

3.5.1 The appointment of a new Director is a matter for consideration and decision by the Board, upon the recommendation from the NRC. In making the recommendations, the NRC will consider the required mix of skills, experience and diversity, including gender, where appropriate, which the Director brings to the Board.

3.5.2 The Constitution of the Company provides that every newly appointed Director be subjected to re-election at the immediate Annual General Meeting ("AGM"). Further, one third (1/3) of the Board, or if their number is not three (3) or a multiple of three (3) shall retire from office and be eligible for re-election at every AGM. A retiring Director shall retain office until the close of the meeting at which he retires.

### 3.6 ***Independent Directors***

3.6.1 The Board acknowledges the importance of Independent Directors who are tasked with ensuring that there is proper check and balance on the Board as they are able to provide unbiased and independent views in Board deliberations and decision-making of the Board taking into consideration the interests of the Group and the minority shareholders.

3.6.2 A Director will be considered independent if he has no material relationship with the Company that may interfere with the exercise of his independence from Management and the Company. Family ties and cross-directorships may be relevant in considering interests and relationships which may compromise independence and should be disclosed by the Directors to the Board.

3.6.3 The Board undertakes to assess the independence of Independent Directors upon his proposed appointment, annually and when any new interest or relationship develops.

3.6.4 The Board may appoint a Senior Independent Director who will attend to any query or concern raised by the shareholders.

## **4. COMMITMENT OF THE BOARD**

4.1 Directors shall devote time and effort to attend meetings and to know what is required of the Board and each of its members, and to discharge those functions.

4.2 Directors shall limit their directorship of companies to a number in which they can sufficiently devote their time and maintain effectiveness.

4.3 All Board members shall notify the Chairman of the Board before accepting any new directorship. The notification shall include an indication of time that will be spent on the new appointment. The Chairman shall also notify the Board if he has any new directorship or significant commitments outside the Company.

## **5. DIRECTORS TRAINING AND CONTINUOUS EDUCATION**

The Board shall assess the training needs of its members from time to time and will ensure that they have access, at the Company's expense, to appropriate continuing education programmes to update their knowledge and enhance their skills to sustain their active participation in Board deliberations.

## **6. NON-EXECUTIVE DIRECTORS' REMUNERATION**

Non-Executive Directors will receive a fixed base fee, not by a commission or on percentage of profits/turnover, as consideration for their Board duties. The aggregate amount of Directors' fees to be paid to Non-Executive Directors is subject to the approval of the shareholders at a general meeting.

## **7. CHAIRMAN OF THE BOARD**

7.1 The Board is empowered by the Company's Constitution to appoint a Chairman and to determine the period he/she is to hold office.

7.2 The Chairman of the Board shall be a non-executive member of the Board.

7.3 The responsibilities of the Chairman, amongst others, are as follows:

- 1) to chair the Board meetings and ensure the efficient organization and conduct of the meetings;
- 2) to promote constructive and respectful relations between Directors, and between the Board and Management;
- 3) to determine the agenda for, and frequency of Board meetings (in consultation with the Managing Director where appropriate);
- 4) to provide guidance and mentoring to the Managing Director;
- 5) to ensure effective communication with shareholders and relevant stakeholders; and
- 6) to propose to the Nomination & Remuneration Committee on remuneration of the Managing Director.

7.4 The roles of the Chairman and the Managing Director are distinct and separate to ensure that there is a balance of power and authority.

## **8. RELATIONSHIP BETWEEN BOARD AND MANAGEMENT**

8.1 The Board delegates to the Managing Director the responsibility for the operation and management of the Company's business.

8.2 Non-Executive Directors may communicate with members of the Senior Management at any time. However, communications between the Non-Executive Directors and the Senior Management in relation to a specific issue or business matter should ordinarily be through the office of the Managing Director.

8.3 Senior Management and such other persons as may be decided by the Board from time to time shall attend the Board meeting by invitation.

## **9. MANAGING DIRECTOR**

9.1 The Managing Director is responsible for the day-to-day management and operation of the Company with all powers, discretions and delegations authorised, from time to time, by the Board. The Managing Director may delegate aspects of his or her authority and power but remains accountable to the Board for the Company's performance.

9.2 The responsibilities of the Managing Director include:

- 1) Developing and implementing the corporate and financial strategies, annual budget and corporate performance targets of the Company;
- 2) Reporting/presenting to the Board on the current and future initiatives of the Company and bringing material and other relevant matters to the attention of the Board in an accurate, timely and regular manner;
- 3) Ensuring the adequacy and integrity of the management information, financial control systems and internal control systems of the Company;
- 4) Ensuring that the Company has the appropriate risk management practices and policies in place;
- 5) Assuming full accountability to the Board for all aspects of the Company's operations and performance; and
- 6) Maintaining an effective communications policy and overseeing shareholders' communications.

9.3 The Managing Director is to have a formal service contract describing his/her term of office, duties, rights and responsibilities and entitlements.

## **10. INDEPENDENT EXTERNAL ADVICE**

10.1 The Board, each individual Director, or a Committee has the right to seek independent advice in relation to any Board matter, at the Company's expense. Prior to any engagement, consent is to be sought from the Chairman or Committee Chairman, as the case may be.

10.2 The Chairman or a Committee Chairman, as the case may be, may determine that any external advice received by an individual Director be circulated to the remainder of the Board.



## **11. COMPANY SECRETARY**

11.1 The Board is supported by a suitably qualified and competent Company Secretary who is accountable to the Board and is responsible for:

- 1) organising Board and Committee meetings and preparing the minutes thereof;
- 2) preparing meeting agendas in consultation with the Chairman and the Managing Director;
- 3) compiling and circulating Board meeting folders;
- 4) advising the Board on procedural and regulatory requirements;
- 5) supporting the Board on adherence to Board policies and procedures;
- 6) providing a point of reference for dealings between Board and Management;
- 7) communicating with regulatory bodies and the Stock Exchange (if required);
- 8) attending to all statutory and other filings

as well as ensuring compliance with the statutory requirements of the Companies Act, 2016 (including any amendments thereto) and other relevant laws and regulations.

## **12. BOARD COMMITTEES**

12.1 The Board may from time to time establish Committees as is considered appropriate to assist in carrying out its duties and responsibilities. The Board delegates certain functions to the following Committees to assist in the execution of its responsibilities:

- 1) Audit and Risk Committee; and
- 2) Nominations & Remuneration Committee

12.2 The Committees shall operate under clearly defined terms of reference. The Committees are authorized by the Board to deal with and to deliberate on matters delegated to them within their terms of reference, which are available for reference at the Company's website and in its Annual Report, if required.

12.3 The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings and such reports or minutes will be tabled to the Board.

12.4 The Board will regularly evaluate the effectiveness of the Committees.

### **13. ASSESSMENT AND EVALUATION OF BOARD PERFORMANCE**

Whenever applicable, the Board will complete an annual evaluation assessment of the Board and individual members of the Board and assess the activities and performance as prescribed in the Green Book on Enhancing Board Effectiveness as well as guidelines and best practices issued by relevant authorities.

### **14. MEETINGS OF THE BOARD**

14.1 The Board meets at least four (4) times annually, with additional meetings to be convened when necessary to review financial, operational and business performances. Board meetings for each financial year are scheduled before the end of the preceding financial year.

14.2 The Board will receive an agenda and the relevant Board papers within a reasonable time before each meeting. The Board papers contain both quantitative and qualitative information thereby enabling informed decisions to be made. This is to enable the Board to review, consider, and if necessary, obtain further information or research on the matters to be deliberated in order to be properly prepared at the meetings. The Board papers are presented in a manner which is concise and to include comprehensive management reports, minutes of meetings, proposals and supporting documents.

### **15. REVIEW OF BOARD CHARTER**

The Board will periodically review the Board Charter and Board Committee Terms of Reference and may from time to time make any changes it determines necessary to ensure they remain consistent with the Company's objective, its practices and current law.

### **16. ACCESS TO THE BOARD CHARTER**

The Board Charter is available for viewing on the Company's corporate website, [www.plus.com.my](http://www.plus.com.my)