



OCR Group Berhad

(Registration No: 199701025005 (440503-K))

(Incorporated in Malaysia)

Board Charter

This charter has been adopted by the board to:

- Provide a guidance and guidelines on the manner in which its constitutional powers and responsibilities will be exercised and discharged; and
- Outline the core principles of corporate governance to which the Company adopts and to which each Director or the Directors collectively, as the case may be, should strive for.

1. Board Responsibilities

The Board of Directors (“Board”) is responsible for the proper stewardship of the Company and its subsidiaries (collectively “Group”). The Board is to aim for the maximization of shareholders’ value and safeguarding stakeholders’ interests including securing sustainable long-term financial results and increasing shareholders’ value, without compromising on social and environmental considerations. Hence, the Board should collectively have sound and sufficient knowledge and expertise to enable effective governance and oversight.

The Board has the following major responsibilities, which facilitate the discharge of the Board’s stewardship in the pursuit of the best interests of the Company:

- Maintain good corporate governance standards;
- Formulating a strategic plan for the Company and tailoring the same from time to time by taking practical and realistic approaches;
- Overseeing the conduct of the Company’s business to evaluate whether the business is being properly managed and sustained;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Reviewing the adequacy and integrity of the Company’s internal control systems for compliance with applicable laws, regulations, rules and guidelines.

2. Board Composition

It is intended that the composition of the Board be determined using the following principles:

- The Board as a collective unit is responsible to determine the appropriate size of the Board;
- At least two (2) directors or one third of the Board, whichever is higher, shall be independent directors. The tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the 9 years, an independent director may continue to serve on the Board subject to the director's re-designation to non-independent director. Otherwise, the Board must justify and seek shareholders' approval at Annual General Meeting in the event it retains the director as an independent director.
- If the Board continues to retain the independent director after twelfth (12) year, the Board shall seek annual shareholders' approval through a two-tier voting process;
- The Chairman of the Board shall be a non-executive member of the Board and where the Chairman of the Board is not an independent director, the Board shall comprise a majority of independent directors.
- Where possible, the position of Chairman and Chief Executive Officer of the Company shall be held by different individuals.
- On boardroom diversity, the Board is supportive of the gender boardroom diversity as recommended by Malaysian Code of Corporate Governance 2012. The Board shall endeavor to have at least one (1) female Director at all times to possibly provide alternative views where applicable;
- The Board shall comprise of directors with an appropriate range and mix of skills, experience, expertise and diversity that will enable the Board to effectively function. It is suggested that the Board shall where possible, at all times endeavor to have at least a member with financial background and experience and another with corporate legal background and experience.

As part of its Board induction programme, new board members shall be given a copy of the Charter and be briefed on the terms of their appointment, their duties and obligations and on the operations of the Group. The Board will ensure its members have access to appropriate continuing education programmes.

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 and all relevant legislative and regulatory requirements.

3. Board Structures and Procedures

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.

There shall be established the following committees:

- Audit Committee;

- Nominating Committee;
- Remuneration Committee; and
- Any other Committee where required.

4. Key Responsibilities

In particular, the following are responsibilities and functions of the Board:

- Appointment, terms of appointment, delegation of authority to, review of performance of and removal of the Executive officers;
- Succession planning for the Board, Chief Executive Officer and his/her direct reports and seeking to ensure effective execution of the succession planning;
- The appointment, review of performance, and where appropriate, the removal of, the Company Secretary and any other corporate service providers; and
- Ratification of the terms of appointment of senior management- ie the Chief Executive Officer's direct reports;
- Formulation, review and ratification of the organization chart for senior management;
- Ratification of evaluation and reward of senior management (including ratification of remuneration and incentive policies);
- Requiring that there is continuing education and information provided to directors regarding:
 - a) The Company's various businesses; and
 - b) The role of the Board and its functions and obligations.
- Approval of budgets and the strategic plan to promote sustainability;
- Evaluating the performance of the Company against strategies and business plan and the evolving environment it operates in;
- Approval of the capital and operating expenditure budget and any alterations to it;
- Approval and review from time to time the utilization of proceeds pursuant to any capital raising exercise;
- Approval of significant mergers, acquisitions and divestitures of the Group;
- Approval of expenditure and/or commitments that are in excess of budget or the Chief Executive Officer's delegation;

- Approval of interim and annual financial statements;
- Approval for the release of financial announcements and any other significant announcements;
- Approval of the Annual Directors' report and Statutory Accounts;
- Approval of interim dividends, the recommendation of final dividends and the making of any other distribution;
- Adoption of accounting policies;
- Reviewing the effectiveness of the Group's system of internal control and establishment of a sound framework to mitigate risks. The function is delegated to the Audit Committee which will in turn report to the Board on its findings;
- The granting of powers of attorney by the Company;
- The entering into of any indemnities or guarantees;
- Recommendations for the alteration of the Memorandum and Articles of Association of the Company;
- Alteration of the accounting reference date, registered office and name of the Company;
- Purchase of own shares by the Company;
- Issue of any debt instruments;
- Scheme of reconstruction or restructuring;
- Any other significant business decision;
- Any other matters requiring the convening of a general meeting of shareholders or any class of shareholders;
- Any other matters as may be required by the laws or the governing authorities.

5. Review of Board Performances

The Chairman keeps under review, informally, the contributions made by Board Members. The Nomination and Remuneration Committee ("NRC") is given the task to review annually the activities and effectiveness of the Board and the Board Members. The Chairman of the NRC oversees the overall evaluation process.

6. Relationship between The Board and Shareholders, Institutional Investors, Stakeholders, Press, Customers, etc.

The Board will use its best endeavours to familiarize itself with issues of concern to shareholders.

The Board believes that Management speaks for the Group, Nevertheless, individual board members may, from time to time at the request of the Management, meet or otherwise communicate with various constituencies that are involved with the Group. Comments from the Board, if appropriate in most circumstances, shall come from the Chairman/CEO.

The Company shall aim to ensure that shareholders are well informed of all major developments affecting the state of affairs of the Company. To achieve this, the Company has implemented the following procedures:

- Shareholders can gain access to information about the Group, including media releases, communication with shareholders and key policies through the Company's at website www.ocrbhd.com.
- The Company encourages full participation of shareholders at General Meetings to ensure a forum is available for the discussion of the Group's strategies and goals.

7. Integrity, Standards & Code of Conduct

As a matter of Board policy, directors and management are expected to conduct themselves with the highest integrity standards and to comply with the Company's Memorandum and Articles of Association and this Board Charter shall at times be subject to the Company's Memorandum and Articles of Association as may be amended from time to time. All directors, executives and staff are expected to be professional at all times and thereby protect and promote the reputation of the Company.

All of the Company's directors, executives and staff are expected to:

- Act honestly and fairly in all their business dealings and not to allow themselves to be placed in a position of conflict of interest;
- Comply with the law and regulations set by relevant authorities;
- Be diligent and professional in the execution of their duties; and
- Work together to promote a safe, ethical and professional workplace.

An electronic version of this Board Charter is available at www.ocrbhd.com.
