

BOARD CHARTER OF UOA DEVELOPMENT BHD

1. INTRODUCTION

This Board Charter (“Board Charter”) is adopted by the Board of Directors (“Board”) of UOA Development Bhd., (“UOA or “the Company”).

The Board is governed by the authority given pursuant to the Constitution of the Company (“Constitution”) and all other relevant laws of Malaysia.

The Board is accountable to shareholders of UOA for the corporate governance and performance of UOA and its subsidiaries (“UOA Group”) and UOA fulfills this accountability by its commitment to achieve high standards of business integrity, ethics and professionalism across the UOA Group’s activities. This in turn will maximize and safeguard Shareholders’ value and interests.

2. PURPOSE

The Board Charter sets out the roles and responsibilities of the Board and the Board Committees, the composition of the Board, processes and procedures for convening Board Meetings. As part of the corporate governance framework of the Company, the Board Charter is designed to achieve the following objectives:

- To clarify the roles and responsibilities of the members of the Board to facilitate the Board’s accountability to the Company and its Shareholders;
- To provide guidance to the Board to enhance coordination and communication between the Board and Senior Management, providing effective oversight of Senior Management for the benefit of the Company and its Shareholders; and
- To assist the Board in the assessment of its own performance and of its individual Directors.

3. BOARD COMPOSITION AND BALANCE

(a) Size and Composition

The Board consists of qualified individuals with different backgrounds and specializations, collectively bringing considerable knowledge, judgement and experience to the Board to enable the Board to discharge their duties and responsibilities effectively.

The size of the Board is such that it facilitates the decision making of the Company effectively. The Constitution provides that the number of Directors shall not be less than 2 and not more than 15. The Main Market Listing Requirements of Bursa Malaysia Securities Berhad provides that at least 2 Directors or 1/3 of the Board, whichever is higher, must be Independent Directors. The presence of the Independent Directors ensures that objectivity and independent judgement are present in decision making of the Board.

The Board will review boardroom diversity and board composition and size on an annual basis and from time to time to ensure its appropriateness.

(b) Board Tenure

The Constitution provides that all newly appointed Directors shall retire and be eligible for re-election by the Shareholders at the next following annual general meeting of the Company. The Constitution also provide that 1/3 of the Board or if the number of the Directors is not 3 or a multiple of 3, then the number nearest 1/3 shall retire from office and shall be eligible for re-election provided that all Directors shall retire from office, once at least in every 3 years.

The Malaysian Code on Corporate Governance 2021 (“Code”) provides that the tenure of an independent director should not exceed a cumulative term of nine years. Upon completion of the nine years, an independent director may continue to serve on the Board subject to the director’s re-designation as a non-independent director. In the event the Board retains an independent director beyond nine years, the Board would seek annual shareholders’ approval through a two-tier voting process in accordance to the process set out in the said Code.

The Nomination and Remuneration Committee, having a clear and defined terms of reference, has the main function of identifying and recommending suitable candidates to the Board for approval.

4. INDEPENDENCE OF DIRECTOR

An Independent Director is independent of management and free of any business relationship that could materially affect the exercise of his independent judgement.

The Board undertakes to assess the independence of its Independent Directors upon appointment, annually and when any interests or business relationship arises.

The Independent Directors have the right to seek the advice of the Company Secretary, the Auditors, the Internal Auditors and other independent professional advice at the Company’s expense if so required.

5. DIRECTORSHIPS AND TIME COMMITMENT

Directors will notify the Company Secretary upon their appointment of directorship in other companies and any significant commitments outside the Company.

The Directors should be committed in allocating sufficient time to the Company in order for the Board to function effectively.

6. DIRECTORS' TRAINING

All newly appointed Directors will have to attend the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad. All Directors shall continue to update their knowledge and enhance their skills by attending trainings and seminars relevant to them to enable them to effectively discharge their duties. The Board will assess the training needs of the Directors from time to time and ensure appropriate update of skills and knowledge are in place.

7. ROLES OF THE BOARD

(a) Duties and Responsibilities

The Board oversees the business and affairs of the Company and has the following main duties and responsibilities:

- (i) Overseeing and approving the strategic plans and direction of the Company.
- (ii) Overseeing and evaluating the performance of the Company.
- (iii) Identifying principal risks with the assistance from the Audit Committee and to ensure implementation of a proper risk management and control system.
- (iv) Developing suitable candidates at senior management level to assist the Board in the management and development of the Company.
- (v) Ensuring the adequacy and efficiency of the management systems and internal control system of the Company.
- (vi) Establishing a code of conduct together with a whistle blowing policy.
- (vii) Ensuring the shareholders are well informed of the Company's activities via timely announcements, road shows and general meetings.

The Board will ensure that year-end financial statements are prepared in accordance with the Companies Act and the applicable approved accounting standards set out by the Malaysian Accounting Standards Board so as to present a true and fair view of the state of affairs of the Company.

(b) Planning and Strategies

The Board with the assistance of the Board Committees and Senior Management shall determine and approve:

- (i) corporate plans;
- (ii) key policies, corporate and management structure
- (iii) new ventures;
- (iv) major capital commitments; and
- (v) material acquisitions and disposals;

(c) Roles of the Chairman and the Managing Director

The separation of the positions of the Chairman and the Managing Director promotes accountability and facilitates division of responsibilities. The responsibilities of the Chairman includes leading the Board in its collective oversight of management while the Managing Director focuses on the business and daily management of the Company.

- (i) Currently the Chairman is an Executive Director who is responsible for leading the Board at Board Meetings and to ensure efficient functioning of the Board.

The following are the key roles of the Chairman:

- Ensure that the Board functions effectively and is well informed of the Company's activities and Management's recommendation.
- Preside and lead the Board at Board meetings and general meetings and direct discussions.
- Assist the Board in its corporate governance policies and compliance with regulatory laws.
- Ensure effective communication between the Board and Management, its shareholders and stakeholders.
- Ensure the Company's Annual General Meetings ("AGM") are conducted with responsibility and accountability, supplying relevant information to shareholders and encouraging participation of shareholders. The External Auditor is invited to the AGM and is available to answer shareholders' questions on the conduct of the audit of the Company's financial statements.

- (ii) The Managing Director is responsible to the Board for the daily management and corporate activities of the Company, having the following key roles:

- Develop the corporate plans and the strategic direction of the Company.
- Ensure that policies and systems are in place for the Company's operations to be conducted properly and efficiently.
- Ensure effective communication with Senior Management to achieve the Company's goals and objectives.
- Monitors performance results against plans.
- Takes remedial actions where necessary.
- Ensure the Financial Reporting of the Company represents a clear and balanced assessment of the Company's financial position in its quarterly financial announcements and the year-end financial statements.
- Ensure timely release of announcements on financial results and material contracts or information that may affect investors' decision making.
- Ensure Management conducts regular dialogues with analysts to convey information on Company's performance and other matters affecting shareholders' interests.

(d) Disclosure of Interests

Directors have a duty of confidentiality in relation to the Company's confidential information and are required to act in the best interest of the Company. A Director should immediately disclose to the Board should a conflict of interest arises or if the Director has a personal interest in the matters at hand.

8. COMPANY SECRETARY

The Board appoints the Company Secretary who plays an important advisory role to the Board, assisting it in regulatory compliance matters.

The Company Secretary is the central source of information and advice to the Board and Board Committees on issues relating to compliance with rules and regulations, procedures of statutory compliance and corporate governance.

9. CODE OF CONDUCT AND WHISTLE BLOWING POLICY

The Board has established a Code of Conduct for the Company with policies to manage conflict of interest, preventing abuse of power, corruption, insider trading and money laundering. The Board has also established a Whistle Blowing Policy which provides the public access to the Independent Directors of the Company. Both the Code of Conduct and the Whistle Blowing Policy are published on the Company's website.

10. REVIEW OF BOARD CHARTER

This Board Charter was adopted by the Board on 15 May 2013 and is made available on the Company's website. The Board has reviewed this Charter on 12 April 2022 and will undertake review from time to time and make amendment if necessary, to ensure they remain consistent with the Board's objectives and current laws and regulations.