

MITRAJAYA HOLDINGS BERHAD
Registration No. 199301013519 (268257-T)

POLICY STATEMENT

ON

BOARD CHARTER

BOARD OF DIRECTORS

CHARTER

Part 1 Definition

1.1 In this Charter:

“Act” means the Companies Act 2016;

“Board” means the board of directors of the Company;

“Business” means the business of the Group and the subsidiary companies;

“MD” means the managing director of the Group;

“Chairman” means the chairman of the Board and is used in a gender neutral sense;

“Company” means Mitrajaya Holdings Berhad;

“Company Goals” means the goals of the Company as set out in Part 2;

“Group” means the subsidiary companies of Mitrajaya Holdings Berhad;

“Management” means the management personnel of the Group;

“Management Limitations” means the limitations on the actions of Management as set out in paragraph 4.3;

“Directors” means directors of the Company;

“Secretary” means the Board secretary or the person normally exercising the functions of a Board secretary;

“Shareholders” means the shareholders of the Company.

Part 2 Introduction, Company Goals, objective and strategies

2.1 Introduction

This Charter applies to all members of the Board of the Company and that of the subsidiary companies (“the Board”).

The Charter sets out a framework to assist the Board to provide strategic guidance to the Group and effective oversight of its Management, for the benefits of Shareholders and other stakeholders. The framework adopts principles of good corporate governance and is designed to maximize the Group’s compliance with best practice requirements. It also outlines the manner in which the Board discharges its responsibilities in pursuit of the Group Goals and objectives.

2.2 Group Goals, objective and strategies

2.2.1 The Group is to excel as a highly efficient and profitable investment holding company with major investments in construction and property development businesses through the following core values:-

- To commit to excel in every aspect of the operation in pursuit of total customer satisfaction in the products and services;
- To endeavor to create a challenging and rewarding career environment encouraging the employees to realize their optimum potential;
- To develop and establish a reliable and mutually beneficial relationship with the business partners and associates; and
- To strive to be a caring and responsible corporate citizen and assure equitable return to the Shareholders.

2.2.2 The capital and resources of the Group will be allocated to those assets and activities, which will enable it to achieve the Group Goals in a manner best serving the interests of the Shareholders as a whole.

Part 3 Board Governance Process

3.1 Role of the Board

- 3.1.1 The role of the Board is to effectively represent, and promote the interests of the Shareholders with a view to adding long-term value to the Company's shares.
- 3.1.2 Having regard to its role, the Board will direct, and supervise the management of, the Business and affairs of the Group including, in particular:
- ensuring that the Group Goals are clearly established, and that strategies are in place for achieving them;
 - establishing policies for strengthening the performance of the Group including ensuring that Management is proactively seeking to build the Business through innovation, initiative, technology, new products and the development of its business capital;
 - monitoring the performance of Management;
 - appointing the MD of the Company;
 - deciding on whatever steps are necessary to protect the Group's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
 - ensuring that the Group's financial statements are true and fair and conform with law;
 - ensuring that the Group adheres to high standards of ethics and corporate behaviour; and
 - ensuring that the Group has appropriate risk management/regulatory compliances policies in place.
- 3.1.3 In the normal course of events, day to day management of the Group will be in the hands of Management and under the stewardship of the MD.
- 3.1.4 The Board will satisfy itself that the Group is achieving the Group Goals.

3.2 The Board's Relationship with Shareholders

- 3.2.1 The Board will use its best endeavors to familiarize itself with issues of concern to Shareholders.
- 3.2.2 The Board will regularly evaluate economic, political, social and legal issues and any other relevant external matters that may influence or affect the development of the Business or the interests of Shareholders and, if thought appropriate, will take outside expert advice on these matters.

3.3 Board Procedures

- 3.3.1 The conduct of Directors will be consistent with their duties and responsibilities to the Group and, indirectly, to Shareholders. The Board will be disciplined in carrying out its role with the emphasis on strategic issues and policy. Directors will always act within any limitations imposed by the Board on its activities.
- 3.3.2 Directors will use their best endeavours to attend Board meetings. Directors are expected to participate fully and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board. Directors unable to attend a meeting will advise the Chairman at an earlier date as possible and confirm in writing to the Secretary.
- 3.3.3 Board discussions will be open and constructive, recognizing that genuinely held differences of opinion could bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek a consensus in the Board but may, where considered necessary, call for a vote. All discussions and their record will remain confidential unless there is a specific direction from the Board to the contrary, or disclosure is required by law. Subject to legal or regulatory requirements, the Board will decide the manner and timing of the publication of its decisions.
- 3.3.4 Executive Directors shall attend Board meetings to discharge their Board responsibilities. At Board meetings, Board responsibilities supersede all executive responsibilities.
- 3.3.5 The Board has sole authority over its agenda and exercises this through the Chairman. Any Director may, through the Chairman, request the addition of an item to the agenda. The Chairman in consultation with the MD and the Secretary will set the agenda.
- 3.3.6 The Board will normally hold meetings at least four times in each financial year and will hold additional meetings as the situation requires.

- 3.3.7 Directors are entitled to have access, at all reasonable times, to all relevant company information and to Management.
- 3.3.8 Directors are expected to strictly observe confidentiality of company information.
- 3.3.9 In making policy, the Board will not reach specific decisions unless it has considered the more general principles upon which they are founded, and in reaching other specific decisions, the Board will consider the policies against which the decisions are made.

3.4 Chairman

- 3.4.1 The Board will appoint a Chairman from among the Directors. In addition, the Board may also appoint a Deputy Chairman.
- 3.4.2 Both the Chairman and Deputy Chairman may be an executive or non-executive Director. The Deputy Chairman will deputise for the Chairman in his absence or at his request.
- 3.4.3 The Chairman is responsible for representing the Board to Shareholders.
- 3.4.4 The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board as set out in this Part 3.
- 3.4.5 The Chairman is responsible for maintaining regular dialogue with the MD over all operational matters and will consult with the remainder of the Board promptly over any matter that gives him cause for major concern.
- 3.4.6 The Chairman will act as facilitator at meetings of the Board to ensure that no Directors, whether executive or non-executive, dominates discussion, that appropriate discussion takes place and that relevant opinion among Directors is forthcoming.

3.5 Board Committees

- 3.5.1 Board committees will be formed only when it is efficient or necessary to facilitate efficient decision-making.
- 3.5.2 Board committees will observe the same rules of conduct and procedure as the Board unless the Board determines otherwise.
- 3.5.3 Board committees will only speak or act for the Board when so authorised.

3.6 Board Composition

- 3.6.1 The composition of the Board will reflect the duties and responsibilities it is to discharge and perform as representative of the interests of Shareholders, and in setting the Group's strategy and seeing that it is implemented.
- 3.6.2 Generally, the qualifications for Board membership are the ability and intelligence to make sensible business decisions and recommendations, an entrepreneurial talent for contributing to the creation of Shareholder value, the ability to see the wider picture, the ability to ask the hard questions, preferably some experience in the industry sector, high ethical standards, sound practical sense, and a total commitment to furthering the interests of Shareholders and the achievement of the Group Goals.
- 3.6.3 Non-executive Directors will be active in areas which enable them to relate to the strategies of the Group and to make a meaningful contribution to the Board's deliberations. They will be independent of Management and free from any business or other relationship which could materially interfere with the exercise of their independent judgment. To be effective, independent non-executive Directors should make up at least half of the Board membership.
- 3.6.4 The size of the Board will be such that involvement, participation, harmony and sense of responsibility of the Directors are not jeopardized. It must be large enough to ensure a range of knowledge, views and experience.
- 3.6.5 Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next annual general meeting of the Company but shall be eligible for re-election.
- 3.6.6 Directors shall retire from office at least once every three years but shall be eligible for re-election.
- 3.6.7 Where Executive Directors are engaged on service contracts, the tenure of the service contract and all extension thereafter, must not be longer than a continuous period of three years. Upon the expiry of his tenure, the Board may also, with the recommendation of the Nomination Committee and if it considers appropriate, appoint him as a non-executive Director until the conclusion of the next annual general meeting, whereby he shall be eligible to offer himself for re-election.
- 3.6.8 In the event of an Executive Director's service contract with the Group is terminated for whatever reason, the Director is expected to resign from the Board.

- 3.6.9 If the service contract is terminated for reasons other than the expiry of the contract, or inflicted/ caused by himself, or due to breach of the service contract or law, he shall be compensated a sum equivalent to the amount payable to him for the remaining tenure.

3.7 Gender Diversity

- 3.7.1 The Board shall endeavour to maintain at least one (1) woman director. In seeking potential candidate(s) for new appointments, the Board takes into account ethnicity and age distribution of the Directors to maintain a balanced Board composition.

The Board shall also review the participation of women in senior management to ensure there is a healthy talent pipeline.

- 3.7.2 The Board in undertaking the process of reviewing and selecting potential candidates to fill in the vacancies on the Board shall be mindful of various diversity factors to strengthen the Board composition that meets the objectives and strategic goals of the Group.

3.8 Provision of Business or Professional Services by Directors

- 3.8.1 Generally, Directors shall not provide business or professional services of an ongoing nature to the Group.

- 3.8.2 Notwithstanding the general rule, the Group is at liberty to:

- for the purpose of a special assignment, engage the services of any Director having special expertise in the particular field; or
- engage the services of a party related to a Director's of an organization

so long as the terms of engagement are competitive, are clearly recorded and all legal requirements for disclosure of the engagement are properly observed.

3.9 Other Board Appointment

- 3.9.1 Any Director is, while holding office, at liberty to accept other Board appointments so long as the appointment is not in conflict with the business and does not affect his performance as a Director.

3.10 Independent Professional Advice

- 3.10.1 Any Director is entitled to obtain independent professional advice relating to the affairs of the Group or to his or her other responsibilities as a Director.
- 3.10.2 If a Director considers such advice is necessary he shall first discuss it with the Chairman and, having done so, shall be free to proceed.
- 3.10.3 Subject to the prior approval of the Chairman, the cost of the advice will be reimbursed by the Group but the Directors will ensure, so far as is practicable, that the cost is reasonable.

3.11 Board and Member Evaluations

- 3.11.1 The Board will, each year, critically evaluate its own performance.
- 3.11.2 Individual Director will be evaluated by a process whereby the Board determines questions to be asked of each Director about him or herself and about each other including the Chairman, and the responses are collected and collated by the Chairman who then discusses the results with each Director. The Chairman's own position is discussed with the Deputy Chairman and/or the rest of the Board.

3.12 Indemnities and Insurances

- 3.12.1 The Group shall make all reasonable effort to provide Directors with, and will pay the premiums for, indemnity and insurance cover while acting in their capacities as Directors, to the fullest extent permitted by the Act and law.

3.13 The Secretary

- 3.13.1 The appointment and removal of the Secretary shall be a matter of the Board as a whole.
- 3.13.2 The Secretary is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.
- 3.13.3 All Directors, particularly the Chairman, have access to the advice and services of the Secretary for the purposes of the Board's affairs and the Business.

Part 4 Board-Management Relationship

4.1 Role of MD

- 4.1.1 The Board will link the Group's governance and management functions through the MD.
- 4.1.2 All Board authority conferred on Management is delegated through the MD so that the authority and accountability of Management is considered to be the authority and accountability of the MD so far as the Board is concerned.
- 4.1.3 The Board will agree with the MD to achieve specific results directed towards the Group Goals. This will usually take the form of an annual performance contract under which the MD is authorized to make any decision and take any action within the Management Limitations, directed at achieving the Group Goals.
- 4.1.4 The Chairman maintains an informal link between the Board and the MD and is available to the MD to provide counsel and advice where appropriate. The MD is expected to keep the Chairman and the Board informed on important matters.
- 4.1.5 Only decisions of the Board acting as a body are binding on the MD. Decisions or instructions of individual Directors, officers or committees are not binding except in those instances where specific authorization is given by the Board.

4.2 Accountability of MD to Board

- 4.2.1 The MD, in association with the Chairman, is accountable to the Board for the achievement of the Group Goals and the MD is accountable for the observance of the Management Limitations.

4.3 Management Limitations

- 4.3.1 The MD is expected to act within all specific authorities delegated to him by the Board.
- 4.3.2 The MD is expected not to cause or permit any practice, activity or decision that is contrary to commonly accepted good business practice or professional ethics.
- 4.3.3 In allocating the capital and resources of the Group, the MD is expected to adhere to the Group Goals.

- 4.3.4 The MD is expected not to cause or permit any action without taking into account the health, safety, environment and political consequences and their effect on long-term shareholder value.
- 4.3.5 The MD is expected not to cause or permit any action that is likely to result in the Group becoming financially embarrassed.
- 4.3.6 The assets of the Group are expected to be adequately maintained and protected, and not unnecessarily placed at risk. In particular, the Group must be operated with a comprehensive system of internal control, and assets of funds must not be received, processed or disbursed without controls that, as a minimum, are sufficient to meet standards acceptable to the Group's external auditors.
- 4.3.7 The MD is expected not to permit employees and other parties working for the Group to be subjected to treatment or conditions that are undignified, inequitable, unfair or unsafe.
- 4.3.8 The MD is expected not to cause or permit payments to be made or rewards given unless they are in return for contributions towards the purposes of the Business and are proportional to the extent that the contribution in question has furthered such purposes.

4.4 Role of Chairman

- 4.4.1 The Chairman is principally responsible for the working of the Board which include: -
 - Providing overall leadership to the Board, without limiting the principle of collective responsibility for Board decisions.
 - Participating in the selection of Board members and ensuring that the membership is properly balanced.
 - Setting agenda for Board meetings, usually in conjunction with the MD and Secretary. The Chairman should ensure that the agenda and all necessary background paper are given to Directors in sufficient time to enable the papers to be adequately considered before the meeting.
 - Chairing meetings of the Board in such a manner that will stimulate debate on the issues before the Board and encourage the most effective contribution from each Director.
 - Reviewing the minutes of meetings of the Board before meeting, to ensure they accurately reflect the Board's deliberations, and matters

arising from the minutes and on which further action is required have been addressed.

- Monitoring and evaluating the individual performance of Directors and the Board as a whole.
- Ensure the Group provides an orientation and education program for new directors.
- Initiating, normally in conjunction with the MD, the formulation of a business plan to ensure that the Board establishes at the beginning of each year the goals it wishes to achieve and the means by which this will be carried out.
- Initiating the establishment of Board Committees and ensuring that they achieve their objectives.
- Fastening high corporate governance.

4.4.2 The Chairman acts as an informal link between the Board and Management and particularly between the Board and the MD. No company is likely to run effectively and efficiently unless there is a good working relationship between the Chairman and the MD.

The Chairman, along with all other Directors, should recognize that the MD is the leader of the Group in all matters of Management and should not expect to become involved in the Group's day-to-day operations. It is the MD responsibility to report to the Board as a whole and not just to the Chairman.

The Chairman expects to be kept informed by the MD of all important matters and makes himself available to the MD –

- to be part of the control mechanism in ensuring that the MD's decisions are properly considered and sound;
- to give assistance and advice when needed especially on sensitive matters which the MD feels unable to discuss with other executives;
- to ensure that the MD understands properly and performs his side of the relationship; and
- to oversee Management establishes adequate control mechanism to cover compliance responsibilities and risk management.

- 4.4.3 The Board communicates with Shareholders at Shareholders' meetings and through the distribution of its annual reports. The Chairman normally chairs these meetings where he will use this as an opportunity to inform Shareholders of the Group's affair including its performance.

This role calls for special skills and personal qualities that allow and encourage shareholders to have their say while remaining relevant to the matter at issue, and the Chairman must also have capability to summarize and unify thoughts and ideas and in control of the meeting.

- 4.4.4 The Chairman also lead the role in presenting the Group's cause, whether formally or informally, with the authorities, institutional or potential investors and those having influence on the environment in which the Group operates.

Part 5 CODE OF CONDUCT AND ETHICS

5.1 Money Laundering

- 5.1.1 The Board and employees shall be aware of the application anti-money laundering laws and shall seek to ensure they are appropriately and adequately informed of developments in the laws relating to this area.
- 5.1.2 The Board and employees are expected to be mindful of the risk of the Group's business being use for money laundering activities and to raise any suspicious transactions to their immediate superior.

5.2 Bribes and Corruption

- 5.2.1 The Board and employees shall not offer, give, solicit or accept bribes in order to achieve business or personal advantages for themselves or others or engage in any transaction that can be construed as having contravened the anti-corruption laws.
- 5.2.2 The Board and employees shall be cognisant of the fact that bribes may be in any form, monetary or otherwise including but are not limited to unauthorized remuneration such as referral fee, commission or other similar compensation, material goods, services, gifts, business amenities, premiums or discounts of an inappropriate value or of an unreasonable level or that are not generally offered to others or that are prohibited by law or may reasonably be viewed as having crossed the boundaries of ethical and lawful business practice.
- 5.2.3 Prior to giving or accepting any business amenity or other gifts (in whatever form or value), the Board and employees shall assess the appropriateness of their actions by assessing if the action could influence

or could reasonably give the appearance of influencing the business relationship of the Group with that organization or individual or any business decision arising out of that business relationship.

5.3 Abuse of Power

- 5.3.1 The abuse of authority/power is the improper use of a position of influence, power of authority by an individual towards other. The Board shall be aware of everyone in the Group is treated with dignity, is valued as a contributor and that abuse of power and gender discrimination are not tolerated.
- 5.3.2 The Directors shall report incidents of abuse of power, or if it has reason to believe abuse of power is occurring, to the Chairman or adhere to the Whistleblowing Policy & Procedure.

Part 6 Revision and Updates

The Board Charter was approved and adopted by the Board effective from 2014. It is to be reviewed and updated, where necessary every year in February. Any intervening changes or additions will be by way of circular and memos.

This revised Board Charter was adopted on 29 November 2021 and all revisions-to-date are as per attachment.

Confirmed by

(Original signed)

Chairman
Signed for & on behalf of the
Board of Directors of **Mitrajaya Holdings Berhad**