

PAN MALAYSIA HOLDINGS BERHAD

Company No.: 95469-W

BOARD CHARTER

1. Introduction

This is the Board Charter of Pan Malaysia Holdings Berhad (“the Company”).

The Board of Directors (“Board”) takes overall responsibility for the corporate governance and performance of the Company and its subsidiaries (“the Group”) and is also committed to achieving the highest standards of business integrity, ethics and professionalism across the Group’s activities.

2. Board Composition and Balance

(a) Size and Composition

Pursuant to the Articles of Association of the Company, the Board should not be less than two directors and more than eleven directors.

As prescribed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), at any one time, at least two directors or one-third whichever is higher, of the Board members must be Independent Directors. The roles and contributions of Independent Directors provide an element of objectivity, independent judgement and check and balance on the Board.

The Board should appoint a Senior Independent Director who is tasked to attend to any query or concern raised by shareholders.

From time to time, the Board will review the appropriate skills, experience and knowledge required of the Board members, in the context of the needs of the Group. The Board will also review the composition and size of the Board to ensure its appropriateness.

Collectively and individually, the Board and each Director, has the right to seek independent professional advice at the Company’s expense, with regard to matters arising from the business activities of the Company.

(b) Appointment, Re-election and Re-appointment of Directors

The Nomination Committee has the responsibility to identify and evaluate potential candidates based on their skills, experience, knowledge, expertise and commitment to fulfill the role and responsibilities of the position before making any recommendation to the Board for approval of the appointment.

All newly appointed Directors will be subject to retirement at the next Annual General Meeting and are eligible for re-election.

The Articles of Association of the Company provide that at every Annual General Meeting, one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office and shall be eligible for re-election. The Articles of Association further provide that subject to the provisions of any contract between a Managing Director and the Company, all Directors shall retire from office at least once in every three years and shall be eligible for re-election.

Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129 of the Companies Act, 1965.

(c) Independence of Director

The tenure of an Independent Director should not exceed a cumulative term of nine years. However, upon completion of the nine years, the Independent Director may continue to serve the Board.

The Board will evaluate from time to time the independence of each of its Independent Director.

(d) New Directorship

Prior to acceptance of any other appointment for directorships in other public listed companies, the Directors must consult with the Chairman of the Group to ensure that the acceptance of the new directorships will not affect their commitments and responsibilities to the Group.

Any acceptance of new directorship should be notified to the Company immediately.

The directorships held by any Board member at any time should not exceed that of five listed companies.

3. Directors' Assessment/Board Evaluation

The Board, through the Nomination Committee will review and evaluate the effectiveness and performance of the Board as a whole, the Board Committees and contribution of each Director on an on-going basis.

The Board will review the term of office of Audit Committee members at least once every three years. The term of office of Nomination Committee and Remuneration Committee members will be reviewed by the Board at least once every two years.

4. Roles of the Board

The Board generally oversees the business and affairs of the Company and will assume, amongst others, the following duties and responsibilities:-

- (a) review and adopt a strategic plan including setting performance objectives and approving operating budgets for the Group and ensuring that the strategies promote sustainability;
- (b) monitor corporate performance and implement strategy and policy;
- (c) identify and manage principal risks affecting the Company;
- (d) ensure that shareholders are kept informed of the Company's performance and any material acquisitions and disposals of properties, and undertakings entered into by the Group; and
- (e) ensure that succession planning of the senior management is in place.

5. Matters reserved for the Board

The following matters are reserved for the collective review and approval by the Board of the Company:-

- (a) Group's business strategy and Business Plan;
- (b) Annual Budgets, including major capital commitments;
- (c) material acquisitions and disposals of undertakings and properties; and
- (d) changes to the senior Management and control structure.

6. Powers delegated to Management

The Board should establish clearly, functions reserved for the Board and those delegated to the Management. The Management is accountable to the Board for the Company's performance and is required to report regularly to the Board on the progress being made by the Company's business units.

7. Board Committees

The Board may from time to time establish committees as is considered appropriate to assist the Board in carrying out its duties and responsibilities. The Board has established the following Board committees, which operate within defined terms of reference:-

- (a) Audit Committee
- (b) Nomination Committee
- (c) Remuneration Committee

8. Board Meetings

The Board typically schedules at least four quarterly meetings annually with additional meetings to be convened as necessary.

The Chairman is responsible for setting the agenda for Board meetings. Any Board member may, however, recommend the inclusion of items on the agenda. Such recommendations will be accommodated to the extent practicable and reasonable.

The Notice of Meeting, agenda and the supporting Board papers are given in advance to each of the Directors who are expected to review in advance any such materials in order to facilitate meaningful deliberation during each meeting.

9. Directors' Remuneration

The Board should establish formal and transparent remuneration policies and procedures to attract and retain Directors.

10. Directors' Training

All Directors must attend the Mandatory Accreditation Programme as required by the Listing Requirements.

All Directors are encouraged to attend various other suitable training and programmes and seminars to ensure that they are kept abreast on various issues related to the business of the Group, corporate governance, compliance, risk management and sustainability.

11. Internal Controls and Risk Management

The Board has overall responsibility for the internal control system within the Group, covering financial controls and also controls relating to operational, compliance and risk management. The Board has established an internal audit function who reports directly to the Audit Committee.

The Group has an Enterprise Risk Management (“ERM”) framework in place to minimize and manage risk. With the Board’s approval, the Management has established a Risk Management Committee, which operates within defined terms of reference to deliberate on risk and control issues.

From time to time, the Board reviews the internal control system and ERM framework to ensure its effectiveness, adequacy and integrity, in order to safeguard the Group’s business and assets.

12. Financial Reporting

The Audit Committee is tasked to assist the Board in ensuring that the financial statements comply with the Companies Act, 1965 and the applicable financial reporting standards.

The Board has the overall responsibility to ensure that the financial statements reviewed and recommended by the Audit Committee for the Board’s approval are prepared in accordance with the Companies Act, 1965 and the applicable financial reporting standards so as to present a true and fair view of the results and state of affairs of the Group.

13. Company Secretary

The Board should appoint a competent and suitably qualified Company Secretary.

The Company Secretary reports directly to the Board.

14. Confidentiality and Disclosure of Interest

The Directors must act in the best interests of the Company. The Directors also have a duty of confidentiality in relation to the Company’s information and business.

A Director should disclose to the Board any material personal interest they have in a matter which relates to the affairs of the Company and any other interest (direct or indirect) which the Director believes is appropriate to be disclosed in order to avoid any conflict of interest or the perception of a conflict of interest.

15. Investor Relations and Shareholder Communication

The Company aims to provide accurate and fair disclosure of corporate information to enable informed and orderly market decisions by investors. The Board should ensure the timely release of announcements and disclosures to Bursa Malaysia Securities Berhad in accordance with the Listing Requirements.

16. Code of Ethics and Conduct

The Directors 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.

17. Review of Board Charter

The Board will review this Charter from time to time and make the necessary amendments to ensure that the Charter remains consistent with the Board's objectives, current laws and practices.