



## **BOARD CHARTER**

### **1. INTRODUCTION**

The purpose of this Board Charter (“Charter”) is to set out the respective role, responsibilities and authorities of the Board of Directors (“Board”) of Pintaras Jaya Berhad (“PJB” or “Company”) both individually and collectively in setting the direction, management and control to ensure appropriate corporate governance are practiced within PJB and its subsidiaries (collectively, “the Group”) in creating sustainable long-term value for its stakeholders.

### **2. BOARD COMPOSITION**

- 2.1 The size of the Board will be determined in accordance with the Company’s Constitution.
- 2.2 The Board will comprise individuals who shall exercise reasonable care and diligence with a broad range of skills, experience and knowledge necessary to guide the business of the Group.
- 2.3 The Board does not comprise a majority of Independent Directors, as it is believed that the objectives of the Company are currently met with a majority executive participation. However, at any one time, a minimum of 2 directors, or one-third (1/3) of the Board members are Independent Directors. In the event of any vacancy in the Board resulting in non-compliance with the requirement, the Board shall, within three (3) months of that event, appoint such number of Independent Director(s) to fill the vacancy.
- 2.4 The Board will ensure at least one (1) Director is a woman.
- 2.5 The Board, together with the Nomination Committee will determine and regularly review the composition of the Board having regard to the optimum number and skill mix of Directors.
- 2.6 The Board, together with the Nomination Committee will determine the appointment and re-election of a director based on the Directors’ Fit and Proper Policy of the Company and the annual re-election of a Director should be contingent on satisfactory evaluation of the Director’s performance and contribution to the Board.
- 2.7 The term of office for Directors will be determined in accordance with the Company’s Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”).
- 2.8 The Board considers Directors to be independent if they are independent of Management and free from any business or other relationship which could interfere with the exercise of independent judgement or ability to act in the best interest of the Company. The Board shall perform the annual evaluation of the independence of each Independent Director.

## **BOARD CHARTER**

### **3. ROLE OF THE BOARD**

- 3.1 The role of the Board is to lead and manage the Group in an effective manner by providing strategic guidance in the business and affairs of the Group while exercising oversight in management.
- 3.2 The Board is accountable to deliver sustainable value to its stakeholders, and therefore plays a critical role in setting the appropriate tone at the top, providing thought leadership and championing good governance and ethical practices within the Group.
- 3.3 The Board should objectively discharge its duties and responsibilities at all times as fiduciaries in the interests of the Company. The Board must act with integrity, lead by example, keep abreast of its responsibilities as directors and of the conduct, business activities and development of the Group.

### **4. KEY RESPONSIBILITIES OF THE BOARD**

The Board has identified the following key responsibilities which are embedded in 3 broad categories as follows:-

#### **i. Compliance - Legal & Accountability**

- Compliance with all relevant legal, tax and regulatory obligations;
- Approving all financial reports to be published and related stock exchange announcements to be made;
- Appointment and removal of the Managing Director, Company Secretary and Directors; and
- Appointment, re-appointment and replacement of external auditors.

#### **ii. Performance - Strategy & Policy, Accountability and Risk Management**

- Oversight of PJB's operations, including its control and accountability systems as well as financial and non-financial performance and to ensure the integrity of the Company's financial and non-financial reporting;
- Promoting a good corporate governance culture throughout the Group by establishing and maintaining an adequate framework (including policies and procedures) in respect of corporate governance of the Company and/or the Group.
- Exercising greater vigilance and professional scepticism in understanding and shaping the strategic direction of the Group;
- Developing, reviewing and monitoring the strategic direction and financial plan for the Group;
- Reviewing and approving major capital expenditure, capital management, acquisitions and divestitures;
- Determining dividend policy and the amount, nature and time of dividends to be paid;

## **BOARD CHARTER**

- Considering and reviewing the impact of environmental, social and governance issues and determining, monitoring and reviewing standards and policies to guide the Group in this regard;
- Together with the Nomination Committee, determining the Board and Senior Management development and evaluation as well as succession planning;
- Monitoring material reporting and external communications by the Company;
- Disclosure to and communicating with the Company's stakeholders, at the appropriate times, the results and developments in the business operations of the Group;
- Dealing with matters referred by any Board Committee; and
- Identifying and reviewing the risks that may be faced by the Group and establishing an effective risk management system and internal control framework that will provide reasonable assurance that:
  - (a) the assets of the Company are safeguarded against loss from unauthorised use or disposition and to give a proper account of the assets; and
  - (b) all transactions are properly authorised and that the transactions are recorded as necessary to enable the preparation of true and fair view of the financial statements of the Company.

### **iii. Sustainability**

- The Board together with the management of the Group shall take responsibility for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets, with taking consideration in development and implementation of the Group's strategies, business plans, major plans of action and risk management.
- The Board shall stay abreast with and understand the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities.

## **5. ROLE AND DELEGATION TO MANAGEMENT**

- 5.1 Management of the Group's day-to-day operations is undertaken by the Managing Director and the Executive Directors, subject to specific delegations of authority approved by the Board.
- 5.2 The Managing Director is responsible for developing and ensuring the execution of strategic objectives for the business as well as overseeing the Group's operations and strategic management of material sustainability matters, with assistance from the Executive Directors.
- 5.3 Executive Directors are responsible for implementing the Group's strategic objectives in a time-effective and cost-efficient manner, by actively undertaking a leadership role in all daily functions of the Group and maintaining an organisational culture that attracts, retains, and motivates staff of high quality.

## **BOARD CHARTER**

5.4 On behalf of the Group, Executive Directors are responsible for reviewing and approving PJB's annual operating budgets and business plans and evaluating the Group's performance in relation to them.

5.5 Any matters or transactions outside the delegations of authority must be referred to the Board for approval.

## **6. CHAIRMAN**

The Chairman is responsible for:

- a) leading and representing the Board to shareholders;
- b) managing the effectiveness of the Board in discharging its supervisory role while ensuring good conduct and best practices;
- c) setting the Board agenda, facilitating Board meetings and briefing all Directors of any arising issues;
- d) managing the interface between Board and Management;
- e) protecting stakeholders' interests and providing for their information needs; and
- f) ensuring legal compliance and good corporate governance.

## **7. MANAGING DIRECTOR**

7.1 The Managing Director undertakes day-to-day management of the Group with all powers, discretions and delegations authorised, from time to time, by the Board.

7.2 The Managing Director is responsible for:

- a) developing corporate strategies and preparing business plans for the Group while ensuring its effective implementation;
- b) managing a team of directors responsible for all functions contributing to the success of the Group;
- c) ensuring that the Group has effective risk management systems and policies in place;
- d) the smooth and efficient operation of the Group;
- e) strengthening the Company brand and corporate identity;
- f) assessing business opportunities which could potentially benefit the Group; and
- g) overseeing shareholder communications.

## **BOARD CHARTER**

### **8. BOARD COMMITTEES**

- 8.1 The Board has established the following Committees to assist in fulfilling its duties and responsibilities:
- a) Risk Management Committee;
  - b) Audit Committee;
  - c) Remuneration Committee; and
  - d) Nomination Committee.
- 8.2 The Board will determine the charters of Board Committees that set out the roles, responsibilities and authorities of each Committee.
- 8.3 Committees will assist and report to the Board on decisions and actions taken within the scope of the Committee's delegated authorities, and making recommendations as seen fit.
- 8.4 The Board will appoint members and determine the composition of Board Committees, with due regard to workload, skills and experience.

### **9. SECRETARY**

The Secretary to the Board shall be the Company Secretary or any other person appointed by the Board.

### **10. CODE OF CONDUCT**

- 10.1 Each Director will at all times act honestly, fairly, diligently in discharging his/her duties and responsibilities and must exercise his/her powers for a proper purpose and in good faith in the best interest of the Company.
- 10.2 Each Director will commit the time and effort necessary to discharge effectively his/her role as a Director, and must not improperly use his/her position or misuse information of PJB for personal interest.
- 10.3 All Directors commit to the collective, group decision-making processes of the Board, and are expected to apply their range of relevant skills, knowledge and experience for all matters discussed at board meetings. Executive Directors will ensure that they offer to the Board debate and discussion, their unique knowledge, experience, and perspective on the Group's businesses.
- 10.4 Each Director will not disclose or allow the disclosure of any confidential information obtained in the course of exercising their duties, which is considered to be the property of the company, unless authorised by the Company or required by law.
- 10.5 The Board recognises and encourages policies that require Directors and employees to observe high standards of personal integrity and display honesty and diligence in their dealings. Hence, all Directors shall adhere to the Company's Code of Conduct.

## **BOARD CHARTER**

### **11. CONFLICT OF INTEREST (“COI”) AND DECLARATION OF INTEREST**

- 11.1 All Directors, together with the Key Senior Management of the Group, are responsible for determining appropriate measures to identify and manage COI on an ongoing basis.
- 11.2 Every Director of the Company shall make disclosure on the nature and extent of any of his/her interest in the Company in accordance with Sections 219 and 221 of the Act.
- 11.3 A Director who is appointed by virtual of his/her position as a representative of a shareholder, must act in the best interest of the Company. In the event of any conflict between his/her duty to act in the best interest of the Company and his/her duty to his/her nominator, he/she must not subordinate his/her duty to act in the best interest of the Company to his/her nominator. The disclosure/declaration of the conflict of interest or potential conflict of interest by Directors shall be in accordance to the Company’s Managing Conflict of Interest Policy and Procedure.
- 11.4 The Audit Committee of the Company will review situations of conflict of interest periodically or as needed by identifying, evaluating, approving, reporting and monitoring the conflict of interest.
- 11.5 The Board, together with the Nomination Committee, on an annual basis shall conduct an assessment on conflict of interest of all incumbent Directors, regardless of whether they are subject to re-election at the Annual General Meeting.

### **12. BOARD MEETINGS**

- 12.1 The proceedings of the Board meetings in connection to quorum, methods of holding meetings and voting shall be in accordance with the provisions in the Company’s Constitution.
- 12.2 Board meetings will be held at least four (4) times on a quarterly basis in each financial year with additional meetings to be convened if required.
- 12.3 The Chairman is responsible for conducting all Board meetings, and will ensure that the agendas are comprehensive, that all agenda items are appropriate and that resolutions are aligned with the strategic direction of the Group. A notice with full agenda and comprehensive meeting papers shall be circulated to all Directors in advance of each Board meeting in an appropriate and timely manner.
- 12.4 The record of submissions, papers and materials presented to the Board, as well as minutes of the meetings are maintained and kept in the registered office and are accessible to Directors.

### **13. BOARD PERFORMANCE**

The Board, with the assistance of Nomination Committee, will undertake on-going performance evaluations of the Board as a whole, its Committees and individual Directors, which includes an assessment on the Independent Directors and review of the performance of the Board in addressing the Company’s material sustainability risks and opportunity, and relevant governance processes.

**BOARD CHARTER**

**14. DIRECTORS' TRAINING**

In addition to the Mandatory Accreditation Programmes as required by Bursa, the Directors are encouraged to participate in appropriate training from time to time in order to keep abreast with current developments of the industry, as well as new statutory and regulatory requirements.

**15. INDEPENDENT ADVICE**

The Board, an individual Director or a Committee may seek independent professional advice in relation to any Board matter, at the Company's expense. Written approval must be obtained from the Managing Director before external advice is sought.

**16. REVIEW OF CHARTER**

The Board will review this Charter periodically to ensure it remains aligned with the Board's role and responsibilities, and make any changes deemed necessary.

**17. ACCESS TO CHARTER**

This Charter is accessible on the Company's website at [www.pintaras.com.my](http://www.pintaras.com.my).