



Board Charter





BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

Registration No. 200001022383 (524989-M)

(Incorporated in Malaysia on the 30th Day of August 2000)

BOARD CHARTER

The following provisions constitute the Board Charter made by the Board of Directors ("the Board") of Badan Pengawas Pemegang Saham Minoriti Berhad (hereinafter referred to as "Minority Shareholders Watch Group" "MSWG" or "the Company") on 15 December 2022 in accordance with the Constitution of MSWG. The Board Charter is subject to changes at the discretion of the Board but not in any manner which may result in any of such By-Laws being inconsistent with the Constitution of MSWG.

1.0 OBJECTIVES

- 1.1** MSWG is an organisation for minority shareholders activism in Malaysia recognised and supported by the key regulators. MSWG serves as the national organisation for minority shareholders activism as part of the efforts to be a voice for minority shareholders and to increase knowledge towards informed investment decision-making in Malaysia. MSWG was incorporated on 30 August 2000 as a company limited by guarantee under the Companies Act 1965 (repealed and now known as the Companies Act 2016).
- 1.2** The vision of MSWG is to be a recognised and respected organisation which promotes corporate governance through minority shareholder activism.
- 1.3** The mission of MSWG is to increase sustainable shareholder value creation in companies through engagement with relevant stakeholders, with a focus on minority shareholders' interests.

1.4 The strategic objectives of MSWG are:

- (a) Developing the competencies of minority shareholders towards informed investment decision-making;
- (b) Being a thought leader in the sphere of corporate governance;
- (c) Promoting research and development on the law and practice of corporate governance;
- (d) Representing minority shareholders' interests by lobbying and advocating on issues affecting minority shareholders;
- (e) Providing a platform for networking; and
- (f) Conducting CG and Sustainability assessments of all listed issuers and recognising exemplary listed issuers.

2.0 INTRODUCTION

2.1 The Board Charter sets out the requirements of the Board, its strategic intent and outlines the roles and powers of the Board.

2.2 This Board Charter is subject to the provisions of the Companies Act 2016 ("Companies Act"), the Constitution of MSWG or "Company"), and any other applicable law or regulatory requirements.

3.0 PURPOSE

3.1 The Board is fully committed to promoting and protecting the interests of MSWG and maintaining a high standard of corporate governance. This Charter sets out the standards and principles governing the Board processes and outlines the roles, functions and responsibilities of the Board.

3.2 The Board is responsible for determining the direction of MSWG and ensuring its sustainability and the protection and

enhancement of Company value. The Board provides thought leadership and advice in formulating strategies, championing good governance and ethical practices, and ensuring the effective execution of these strategies.

4.0 BOARD STRUCTURE AND COMPOSITION

- 4.1** The maximum number of directors to be appointed to the Board shall be ten (10). At any time and provided the said maximum number of directors has not been appointed, the Founder Members shall be entitled (but not obliged) to appoint up to two (2) directors to the Board .
- 4.2** Members of the Board should possess the relevant competencies, functional and management experience, characteristics, perspectives and mindset to contribute effectively to the Board.
- 4.3** The Board acknowledges the importance of promoting diversity in all aspects, including that of age, experience, gender, skills and background.
- 4.4** The Board shall also regularly review its composition to ensure the Board remains relevant and formalise its succession planning practices.
- 4.5** The Board should also formalise the succession planning of the Chief Executive Officer (CEO).
- 4.6** Directors may relinquish their membership of the Board with prior written notice to the MSWG Company Secretary, subject to compliance with the provisions of the Companies Act and the Company's Constitution.
- 4.7** At least one third of the Board shall consist of independent directors who are independent and free from any business or other relationship which could interfere with the exercise of their independent judgement or their ability to act in the interests of

the Company. Without limiting the generality of the foregoing an independent director is one who:

- (a) Is not and has not been within the last 3 years, an officer of the Company;
- (b) Is not a family member of any member of the Board or officer of the Company;
- (c) Is not acting as a nominee of any member of the Company.

4.8 The tenure of an Independent Non-Executive Director should not exceed a cumulative period of more than nine (9) years from the date of his first appointment as an Independent Director.

4.9 The Board shall consist of at least one (1) woman director. The Board shall strive to ensure that its composition comprises at least 30% women directors.

5.0 AUTHORITIES OF THE BOARD

5.1 The Board derives its authority to act from the Constitution of the Company and the prevailing laws and regulations governing companies in Malaysia.

5.2 The Board is authorised to do the following at the expense of MSWG:

- (a) Investigate any activity or matter within its Board Charter;
- (b) Be provided resources in order to perform its duties;
- (c) Have full and unrestricted access to anyone in the Company in order to conduct any investigation and to obtain any information pertaining to the Company, including access to the Company auditors and consultants, relevant to the furtherance of the Board's duties and responsibilities;

- (d) Obtain relevant internal and external independent professional advice or other advice to assist the Board in performing its responsibilities and duties;
- (e) Convene meetings with the external auditors without the attendance of any executive and, where appropriate, the MSWG Secretary as deemed necessary;
- (f) Meet exclusively among itself, whenever deemed necessary.
- (g) Have immediate access to reports on fraud or irregularities from MSWG and to reports on accidents/incidents; and
- (h) Authorise investigations into non-performance such as fraud, illegal acts or suspected violations of MSWG policies involving Management or Directors.

6.0 ROLES AND RESPONSIBILITIES OF THE BOARD, THE CHAIRMAN, DIRECTORS AND CEO

- 6.1** There must be clear segregation of roles and responsibilities between the Chairman and the Chief Executive Officer (“CEO”) to ensure a balance of power and authority. The position of Chairman and CEO are separated and clearly defined.

6.2 Principal Responsibilities of the Board:

The responsibilities of the Board shall include but not be limited to the following:

- (a) Supervise and oversee the affairs and support the long-term success of MSWG;
- (b) Review, approve and adopt strategic plans for MSWG to ensure MSWG continues to be able to achieve its objectives in the most effective manner;
- (c) Oversee the CEO’s implementation of MSWG’s strategic plans and review its performance;

- (d) Promote, together with the CEO, a sound corporate culture within MSWG which reinforces ethical, prudent and professional behaviour;
- (e) Plan for the effective succession of board members and the CEO;
- (f) Oversee the development and implementation of an open and transparent stakeholder communication policy for MSWG;
- (g) Establish the MSWG's corporate governance framework, internal control and risk management framework;
- (h) Always take all necessary precautions to strictly maintain the confidentiality of information.
- (i) The Board may be required to check references and consult selected third-party sources on a confidential basis before making its final selections. The Board will work diligently in performing its evaluations.

6.3 Role of the Board Chairman

The Chairman is responsible for conducting meetings of the Board and members and ensuring all Directors are properly briefed during Board discussions and members are informed of the subject matters requiring their approval. The Chairman will act as a facilitator at meetings of the Board and ensure that no Board member dominates the discussion, and that healthy debate takes place.

The Chairman is responsible for instilling good corporate governance practices, leadership and the effectiveness of the Board. The duties of the Board Chairman include the following:

- (a) Managing Board meetings to ensure robust decision-making by:

- setting the agenda for each Board meeting with the MSWG Secretary and the CEO. Other Directors and key members of Management may also be consulted;
- ensuring the provision of accurate, complete, timely and clear information to the Directors;
- leading Board meetings and discussions;
- managing Boardroom dynamics by promoting a culture of openness and debate; encouraging active participation and allowing dissenting views to be freely expressed; and
- ensuring all Directors are properly briefed on issues arising at Board meetings in a timely manner.

(b) Building a high-performance Board by:

- providing leadership for the Board so that the Board can perform its responsibilities effectively;
- ensuring the provision of accurate, complete, timely and clear information to the Directors;
- leading Board meetings and discussions;
- managing Boardroom dynamics by promoting a culture of openness and debate; encouraging active participation and allowing dissenting views to be freely expressed; and
- ensuring all Directors are properly briefed on issues arising at Board meetings in a timely manner.

(c) Managing Board/Management interface by:

- acting as the conduit between Management and the Board by ensuring all Directors have the opportunity to get to know key members of the Management team;

- developing a positive relationship with the CEO; and
 - facilitating the selection and appointment of a successor to the current CEO.
- (d) Representing the Board by:
- acting as a spokesperson for the Board; and
 - representing the Board at members' meetings; and
 - on other occasions, in tandem with the CEO, when actions are taken or statements are made in the name of MSWG, both domestically and/or abroad.
- (e) Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

6.4 Role of Individual Directors

- (a) Directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their fiduciary responsibilities as Directors. Broadly these include:
- duty to act in good faith and to act honestly in line with MSWG's interests;
 - exercise reasonable care, skill and diligence according to the knowledge, skill and experience which may be reasonably expected of him/her having the same responsibilities, based on facts, any additional knowledge, skill and experience which he/she has;
 - demonstrating good stewardship and acting in a professional manner with a sound mind;
 - avoiding conflicts of interest with MSWG in a personal or professional capacity;

- ensuring Board information, discussions, deliberations and decisions that are not publicly known are not used for personal interest, or their employers' interest;
 - disclosure of and abstaining from voting on matters of material personal interest;
 - exercising greater vigilance and professional scepticism in understanding and shaping the strategic direction of the Company; and
 - compliance with the Companies Act 2016 and other relevant legislation and/or regulations.
- (b) Every Director must attend at least 50% of the Board meetings held in each financial year.
- (c) Every Director must keep abreast of his/her responsibilities as a Director and of the conduct, business activities and development of MSWG.
- (d) Every Board member should ensure that the minutes of meetings accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberating on a particular matter.

6.5 Role of the CEO

- (a) The CEO assumes the overall responsibilities for executing MSWG's strategies in line with the Board's direction and drives MSWG's businesses and performance towards achieving MSWG's vision and goals. The CEO is the main spokesperson on behalf of MSWG. The key roles of the CEO include, among others:
- together with the Board sets objectives, visions, targets and strategic direction of the Company;
 - ensuring strategies and corporate policies are effectively implemented;

- ensuring Board decisions are implemented and Board directions are responded to;
- keeping the Board fully informed of all important aspects of MSWG's operations and ensuring sufficient information is distributed to Board members;
- ensuring that all Board decisions reflect its regulatory environment;
- ensuring effective relationships and communication with Management, and between the Board, members and relevant stakeholders; and
- providing strong leadership by effectively communicating the vision, management philosophy, business strategy and environment, safety and health policy to employees.
- ensure Board Committees' recommendations presented to the Board are supported by papers that explain the rationale for the Committees' recommendations.

7.0 BOARD MEETINGS

7.1 Frequency

- (a) The Board shall meet at least four (4) times in a financial year, with additional meetings to be convened as and when necessary.

7.2 Notice and Agenda

- (a) Directors should receive information and materials required for the meeting at least five (5) business days in advance of the board meeting.

7.3 Quorum

- (a) The quorum for a Board meeting shall be a majority of the Directors.
- (b) All Board meetings shall be chaired by the Chairman of the Board. Where the Chairman is absent, the Directors present shall elect one (1) of their members to be the Chairman of the meeting.

7.4 Meeting Mode

- (a) A meeting shall normally be conducted face-to-face to enable effective discussion; however, meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means as determined by the Board in accordance with the provisions of the Companies Act and the Company's Constitution.
- (b) The Board may, from time to time and if deemed appropriate, consider and approve and/or recommend relevant matters via a resolution in writing, in lieu of formally convening a meeting. A written resolution signed or approved by all of the Directors shall be as valid and effectual as if it has been passed by a meeting of the Board duly convened. Approval of the Board on the resolution can be through email and/or other means of electronic communication. Any such resolution may consist of several documents, including facsimile or other means of communications, in like form, each signed by one or more Directors.

7.5 Voting

- (a) All resolutions of the Board shall be adopted by a simple majority vote, each member having one vote. In case of equality of votes, the Chairman of the Board shall have a second or casting vote.

- (b) Where a potential conflict of interest arises, the Director concerned shall declare his or her interest and abstain from the decision-making process.

7.6 Meeting Minutes

- (a) The meeting minutes shall be action-oriented and record the deliberations and decisions of the Board. The minutes shall include compiled Board instructions as Matters Arising for discussion at each Board meeting to ensure proper follow through.
- (b) Minutes shall be distributed to Board members within fourteen (14) days and shall be approved by the Chairman of the meeting at which the proceedings are held or by the Chairman of the next succeeding meeting.

7.7 Secretary

- (a) The Board shall ensure it is supported by a suitably qualified and competent Company Secretary, who shall, at minimum, meet the requirements of the Companies Act, 2016.
- (b) The Board shall appoint a Company Secretary. Appointment and removal of the Company Secretary shall be subject to the Board's approval. The Secretary to the Board shall be the MSWG Secretary or a person recommended by the MSWG Secretary and approved by the Board.
- (c) The Company Secretary is responsible for coordinating all Board business, including agendas, board papers, minutes, communication with regulatory bodies and all statutory and other filings. Dissemination and observance of the Board process must be accorded under this Board Charter.
- (d) All Directors shall have direct access to the Company Secretary. The Company Secretary is expected to provide unimpeded advice and services to the Directors, as and

when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.

(e) The Secretary shall have the following key responsibilities:

- ensuring that Board procedures and applicable rules are observed;
- timely dissemination of information relevant to Directors' roles and functions and keeping them updated on new or evolving regulatory requirements;
- draft the schedule of Board activities for the financial year;
- ensure meetings are arranged and held accordingly;
- assist the Chairman in planning the Board's activities and ensure timely monitoring of board trainings;
- preparing comprehensive minutes to document Board proceedings and ensure conclusions are accurately recorded;
- ensure structured communication channels between the Board and Board Committees;
- attend Board and Board Committee meetings and ensure the proceedings of meetings are recorded and the minutes circulated in a timely manner;
- ensure the presence of a quorum at the meeting; and

8.0 BOARD COMMITTEES

8.1 The Board has the power to set up sub-committees of the Board. The Board may delegate some of its powers and functions to each of the following Board Committees to assist it in carrying out its responsibilities:

(a) Audit & Risk Management Committee

- To assist and support the Board primarily in the areas of financial reporting, risk management and internal control; and

(b) Nomination & Remuneration Committee

- To assist the Board in the selection and assessment of Directors and Senior Management, including reviewing their remuneration packages.

8.2 The Chairman of the respective Committees shall report and update the Board on significant issues and concerns discussed and, where appropriate, make the necessary recommendations to the Board.

9.0 BOARD EFFECTIVENESS EVALUATION

9.1 The Board has the responsibility for carrying out the Board Effectiveness Evaluation annually.

9.2 The assessment result from the Board Effectiveness Evaluation forms the basis of the recommendation to the Board for the re-election of the Directors and selection of Board Committee members as well as for further development of the Board and Board Committee members.

10.0 SPEAK-UP POLICY

10.1 The Board shall approve appropriate policies and procedures on whistleblowing.

10.2 The Speak-Up Policy should be aimed at protecting the integrity, transparency, impartiality and accountability of the Company and provide a structured reporting channel and guidance to all employees and external parties to whistleblowing without the fear of victimisation.

11.0 ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

- 11.1** The Board shall approve appropriate policies and procedures on bribery matters.
- 11.2** The Anti-Bribery and Anti-Corruption Policy together with the Whistleblowing Policy should be aimed at protecting the integrity, transparency, impartiality and accountability of MSWG.

12.0 CONFLICTS OF INTEREST POLICY

- 12.1** The Board shall approve appropriate policies and procedures on conflict of interest for Board members as well as employees of MSWG.
- 12.2** All Directors are required to:
 - (a)** declare any interests that may give rise to potential or perceived conflict e.g. multiple directorships, business relationships or other circumstances that could interfere with the exercise of objective judgment; and
 - (b)** declare as soon as they become aware that a subject to be discussed at a Board or committee meeting may give rise to a conflict of interest at the outset of the applicable meeting. The conflicted director shall not participate further in discussing that subject nor vote on it. This is subject at all times to the provisions of the local regulations, Constitution or other constitutional documents of the Company.
- 12.3** The Board shall evaluate all potential or perceived conflicts of interest as declared and shall approve such transactions with the company concerned as may be appropriate.

13.0 STAKEHOLDERS' COMMUNICATION

- 13.1** The Board shall be transparent and regularly communicate with its stakeholders to facilitate mutual understanding of each other's objectives and expectations.

14.0 GENERAL MEETING

- 14.1** All directors and the Chairs of Board Committees must attend General Meetings, unless they have valid reasons for their absence, to allow members to raise questions and receive meaningful response to questions raised by them.

15.0 REVIEW OF THE BOARD CHARTER

- 15.1** This Charter and the Terms of Reference established by the Board shall be periodically reviewed and updated by the Board taking into consideration the needs of MSWG as well as any development in rules and regulations that may have an impact on the discharge of the Board's duties and responsibilities.