



TPC PLUS BERHAD

Registration No. 200301012910 (615330-T)
(Incorporated in Malaysia under the Companies Act, 1965)

BOARD CHARTER

Approved by the Board of Directors on 24 November 2021

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1. INTRODUCTION

- 1.1 The Board of Directors (“**the Board**”) has primary responsibility for the governance and management of TPC Plus Berhad (“**the Company**”) and fiduciary responsibility for the financial and organisational health of the Company. All Board members are expected to show good stewardship and act in a professional manner as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.
- 1.2 This Board Charter serves as a source reference and primary induction literature, providing insights to existing and prospective board members, to assist the Board in the performance of their fiduciary duties as Directors of the Company.

2. COMPOSITION OF THE BOARD

2.1 Size

Until and unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than 2 and not more than 10¹.

2.2 Board balance

2.2.1 Majority of the Board must consist of Independent Directors².

2.2.2 In the event of any vacancy in the Board of Directors resulting in non-compliance with paragraph 2.2.1 above, the vacancy must be filled within 3 months³.

2.2.3 The Company shall endeavour to have a diverse Board of Directors in terms of age, gender, ethnicity, cultural background, religious belief, etc. and work actively towards having appropriate representation of women at the senior management level and the Board of Directors.

2.3 Chairman

2.3.1 The Chairman must be a non-executive member of the Board.

2.3.2 The Chairman of the Board must not act as the Managing Director of the Company and not appointed as a member of the Audit Committee and the Nomination and Remuneration Committee⁴.

Notes

1. Clause 21.2 of the Company's Constitution.
2. Undertaking letter dated 9 July 2015 to Bursa Malaysia Securities Berhad in relation to the Proposed Regularisation Plan [Paragraph 15.02(1) of the Listing Requirements : at least 2 Directors or 1/3 or nearest to 1/3 of the Directors must be Independent Directors].
3. Paragraph 15.02(3) of the Listing Requirements.
4. Practice 1.3 and 1.4 of the Malaysian Code on Corporate Governance.

2.4 Independent Directors

- 2.4.1 Directors shall be considered independent where they are independent of management; free from any business or other relationship that could interfere with the exercise of independent judgment or the ability to act in the best interest of the Company; and are willing to express their opinions at Board Meetings free of concern about their position or the position of any third party.
- 2.4.2 In determining or assessing the independence of Directors, the provisions under Paragraph 1.01 the Main Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad shall be adopted.
- 2.4.3 The tenure of an Independent Director should not exceed a term limit of 9 years. Upon completion of the 9 years, an Independent Director may continue to serve on the Board subject to the Director’s re-designation as a Non-Independent Director. The Board must justify and seek annual shareholders’ approval through a two-tier voting process in the event it wishes to retain such a Director as an Independent Director ⁵.
- 2.4.4 The Board may appoint a **Senior Independent Director** who is expected to play the following roles:
- (a) Ensure all Independent Directors have an opportunity to provide input on the agenda, and advise the Chairman or Managing Director on the quality, quantity and timeliness of the information submitted by the Management that is necessary or appropriate for the Independent Directors to perform their duties effectively;
 - (b) Consult the Chairman or Company Secretary regarding Board meeting schedules to ensure the Independent Directors can perform their duties responsibly and with sufficient time for discussion of all agenda items;
 - (c) Serve as the principal conduit between the Independent Directors and the Chairman on sensitive issues, for example issues that arise from whistleblowing;
 - (d) Serve as a designated contact for consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact with the Chairman or Managing Director, or for which such contact is inappropriate; and
 - (e) Be available for confidential discussions with other Independent Directors who may have concerns which they believe have not been properly considered by the Board as a whole.

Notes

5. Practice 5.3 of the Malaysian Code on Corporate Governance.

3. APPOINTMENT AND RE-ELECTION

- 3.1 The appointment of a new Director is a matter for consideration and decision by the Board upon the recommendation from the Nomination and Remuneration Committee.
- 3.2 In identifying candidates for appointment of Directors, the Board should not solely rely on recommendations from existing Board members, Management or major shareholders. The Board may utilise independent sources to identify suitably qualified candidates.
- 3.3 While promoting diversity (gender, ethnicity and age group), due recognition to integrity, financial and technical knowledge, experience and skill-sets of the Director concerned and business imperative should remain a priority.
- 3.4 An election of Directors shall take place each year at the Company's Annual General Meeting where one third of the Directors for the time being or, if their number is not 3 or a multiple of 3, then the number nearest to one third shall retire from office PROVIDED ALWAYS that all Directors shall retire from office once at least in each 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires ⁶.
- 3.5 A retiring Director shall be proposed for re-election at the Annual General Meeting contingent on satisfactory evaluation of the Director's performance and contribution to the Board.

4. TIME COMMITMENT

- 4.1 Every Director is expected to devote sufficient time to carry out his duties and responsibilities and to attend meetings of the Board, Board Committee and other meetings such as general meetings.
- 4.2 The office of a Director will become vacant if he is absent from more than 50% of the total Board of Directors' meetings held during a financial year ⁷.
- 4.3 Although each Director is his own judge of his abilities and how best to manage his time effectively in the company in which he holds directorship, all Directors must notify the Chairman immediately after accepting any new directorships.
- 4.4 Every Director must limit his directorship of companies to a number in which he can best devote his time so long as he does not to hold more than 5 directorships in public listed companies ⁸.

Notes

6. Clause 21.5(a) of the Company's Constitution.
7. Paragraph 15.05(3)(c) of the Listing Requirements.
8. Paragraph 15.06(1) of the Listing Requirements.

5. BOARD COMMITTEES

- 5.1 The Board may from time to time establish committees as it considered appropriate to assist the Board in carrying out its duties and responsibilities. All such committees must be provided with written charter which state clearly the extent and limits of their responsibilities and authority.
- 5.2 Although the Board has granted discretionary authority to these committees to deliberate and decide on certain operational matters as set out in their respective charters, the ultimate responsibility for final decision on all matters lies with the Board.

6. ROLE AND RESPONSIBILITIES

6.1 The Board

The Board assumes, amongst others, the following duties and responsibilities:

- 6.1.1 reviewing, approving and monitoring the overall strategies and direction of the Group.
- 6.1.2 overseeing and evaluating the conduct and performance of the Group's businesses including its control and accountability systems.
- 6.1.3 determining and approving the risk management policy and framework as well as the Group's risk appetite.
- 6.1.4 reviewing the Key Risk Profile of the Group annually and determine the acceptability of the residual risks of the Group.
- 6.1.5 reviewing the adequacy, effectiveness and integrity of the Group's internal financial controls, operational and compliance controls established by the Management and the effectiveness of internal audit function.
- 6.1.6 reviewing the adequacy of the Group's internal control policy.
- 6.1.7 approving capital expenditure, capital management and acquisitions/disinvestments in accordance with the Approval Limit Matrix approved by the Board.
- 6.1.8 reviewing and monitoring systems of risk management and internal compliance and controls, codes of conduct, continuous disclosure, legal compliance and other significant corporate policies.
- 6.1.9 ensuring that appropriate plans are in place in respect of the succession plan of the Group.

6.2 Management

There must be a clear division of the roles and responsibilities of the Board and Management to ensure that there is a balance of power and authority. The responsibilities of the Management include the following:

- 6.2.1 Planning : generating plans of action for immediate, short term, medium term and long term periods.
- 6.2.2 Organising : organising the resources, particularly human resources, in the best possible manner. Assembling and co-ordinating financial, physical, information and other resources needed to achieve the Company goals.
- 6.2.3 Directing : communicating and co-ordinating with employees to lead and enthuse them to work together effectively to achieve the goals and targets of the Company.
- 6.2.4 Controlling : setting performance standards that indicate progress towards long-term goals of the Company. Evaluating the progress against the goals and targets of the Company and ensuring proper and timely execution of the same. Periodically review, evaluate and monitor performance.

6.3 Chairman of the Board

The Chairman shall lead and oversee the Board in ensuring the effectiveness of all aspects of the Board's role. The Chairman is responsible for:

- 6.3.1 leading the Board in setting the values and standards of the Company.
- 6.3.2 ensuring the provision of accurate, timely and clear information to Directors.
- 6.3.3 facilitating effective communication between the Board and the stakeholders.
- 6.3.4 arranging regular evaluation of the performance of the Board, its Committees and individual Directors.
- 6.3.5 promoting constructive and respectful relations between Board members and manage the interface between the Board and Management.
- 6.3.6 facilitating the ongoing development of all Directors.
- 6.3.7 ensuring orderly conduct and proceedings of the Board and general meetings and is responsible for managing the business of the Board to ensure that:
 - (a) all Directors are properly briefed on issues arising at Board meetings.
 - (b) sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion.

- (c) the issues discussed are forward looking and concentrates on strategy.
- (d) every Board resolution is put to vote.

6.3.8 leading the Board in establishing and monitoring good corporate governance practices in the Company

6.4 **Managing Director (“MD”)**

- 6.4.1 The MD is primarily accountable for overseeing the day-to-day operations to ensure the smooth and effective running of the Group.
- 6.4.2 The MD is responsible for the development and implementation of the strategies for the Group and setting the overall strategic policy and direction of the Group’s business operations based on effective risk management controls.
- 6.4.3 The MD ensures that the financial management is performed at the highest level of integrity and transparency and that the business and affairs of the Group are carried out in an ethical manner and in compliance with the relevant laws and regulations.
- 6.4.4 The MD provides effective leadership to the Group and is responsible for ensuring high management competency and that an effective management succession plan is in place to sustain continuity of operations.
- 6.4.5 The MD is the conduit between the Board and the Management in ensuring the success of the Company’s governance and management functions.
- 6.4.6 The MD implements the policies, strategies and decisions adopted by the Board. All Board authorities conferred on the Management is delegated through the MD and this will be considered as the MD’s authority and accountability as far as the Board is concerned.

7. DISCLOSURE OF INTEREST / CONFLICT OF INTEREST

- 7.1 Every director has a duty to avoid business, financial or other direct or indirect interests or relationships which conflict with the interests of the Group, or which divides his loyalty to the Group.
- 7.2 Where a Director is appointed by virtue of his position as a representative of shareholder and should there ever be a conflict between his duty to act in the best interest of the Company and his duty to his nominator, he must not subordinate his duty to act in the best interest of the Company to his nominator⁹.

Notes

- 9. Paragraph 3.02 of the Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries issued by the Securities Commission.

- 7.3 A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company:
- 7.3.1 shall, as soon as practicable after the relevant facts have come to his knowledge, declare the nature of his interest at a meeting of the Directors¹⁰;
 - 7.3.2 shall be counted to make the quorum at the Board meeting ¹¹;
 - 7.3.3 shall not participate in any discussion while the contract or proposed contract is being considered at the Board meeting ¹¹; and
 - 7.3.4 shall not vote on the contract or proposed contract ¹¹.
- 7.4 A Director who has an interest, direct or indirect, in a related party transaction must abstain from Board deliberation and voting on the relevant resolution in respect of the related party transaction ¹². The interested Director and persons connected to him, if any, must also abstain from voting on the resolution pertaining to the related party transaction tabled at the Company's general meeting ¹³.
- 7.5 A Director shall not make use of any information acquired by virtue of his position to gain, directly or indirectly, an improper advantage for himself or for any other person or to cause detriment to the Company.

8. BOARD MEETINGS / DIRECTORS' CIRCULAR RESOLUTION

- 8.1 The processes and procedures for convening board meetings are set out in the Company's Constitution which include, but not limited to, the following:
- 8.1.1 A Director may at any time and the Secretary shall on his requisition summon a meeting of the Directors.
 - 8.1.2 Unless otherwise determined by the Directors from time to time, at least 7 days' notice of all Directors' meeting shall be given to every Director who is in Malaysia except in the case of an emergency whereby a reasonable notice of the Board meeting will be sufficient ¹⁴.
 - 8.1.3 An irregularity in the notice of a meeting is waived if all Directors entitled to receive notice of the meeting attend the meeting without objection to the irregularity ¹⁵.

Notes

- 10. Section 221(1) of the Companies Act 2016.
- 11. Section 222(1) of the Companies Act 2016
- 12. Paragraph 10.08(6) of the Listing Requirements
- 13. Paragraph 10.08(7) of the Listing Requirements
- 14. Clause 26.4(a) of the Company's Constitution
- 15. Clause 26.4(c) of the Company's Constitution

- 8.1.4 The quorum necessary for the transaction of the business of the Board (including any adjourned meeting) shall be fixed by the Board from time to time and unless so fixed shall be 2 Directors.
- 8.1.5 Every Director shall have one vote. Subject to the Company's Constitution, any question arising at any meeting of Directors shall be decided by a majority of the votes cast and such determination by a majority of Directors shall for all purposes be deemed a decision of the Board. A Director present at a meeting of the Board is presumed to have agreed to, and to have voted in favour of a resolution of the Board unless he expressly abstains, dissents from or votes against the resolution at the meeting ¹⁶.
- 8.1.6 In the event of an equality of votes, the chairperson of the meeting shall have a second or casting vote. However, in the case of an equality of votes where 2 Directors form a quorum, the chairperson of a meeting at which only such a quorum is present or at which only 2 Directors are competent to vote on the question at issue shall not have a casting vote ¹⁷.
- 8.2 A resolution of the Board may be passed by way of a Directors' Circular Resolution where the resolution in writing is signed or assented to by any means of electronic communication by a majority of the Directors for the time being present in Malaysia. Any such resolution may consist of several documents in like form, each signed by one or more Directors.
- 8.3 A Directors' Circular Resolution passed by the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

9. MATTERS RESERVED FOR THE BOARD

- 9.1 Other than those statutory and regulatory required and those accorded under the Company's Constitution, the following which by no means exhaustive are matters reserved for Board deliberation and decision:
- 9.1.1 Appointment of Chairman and Managing Director.
- 9.1.2 Appointment and removal of Directors and Company Secretary.
- 9.1.3 Establishment of Board Committees, their membership and delegated authorities.
- 9.1.4 Receiving and approving reports and recommendations from Board Committees.
- 9.1.5 Review and approve the Audit Committee Report, Statement on Risk Management and Internal Control for the Company's Annual Report.

Notes

16. Clause 26.7 of the Company's Constitution.
17. Paragraph 7.32 of the Listing Requirements.

- 9.1.6 Prepare a Corporate Governance (CG) Overview Statement and CG Report In compliance with the Malaysian Code on Corporate Governance.
- 9.1.7 Assessment of performance of Board and Board Committees.
- 9.1.8 Approval of interim and annual financial statements.
- 9.1.9 Compensation and remuneration of Directors and key senior officers.
- 9.1.10 Recommendation of Directors' fees and any dividend to the Shareholders for approval at a general meeting.
- 9.1.11 Monitoring of key risks and risk management policies and actions.
- 9.1.12 Review the effectiveness of the Group's system of internal control.
- 9.1.13 Approve the management and control structure within the Group including key policies and delegated authority limits.
- 9.1.14 Approval of treasury policies and bank mandate.
- 9.1.15 Acquisition and disposal of assets of the Company or of its subsidiaries that are material in nature in accordance with the Approval Limit Matrix approved by the Board.
- 9.1.16 Provision of indemnities or corporate guarantees.
- 9.1.17 Recommendations for the alteration of the Company's Constitution.
- 9.1.18 Propose any corporate proposal on fund raising.
- 9.1.19 Propose any scheme of reconstruction or restructuring.

10. ACCESS TO INFORMATION AND INDEPENDENT PROFESSIONAL ADVICE

- 10.1 The Board, whether as a full Board or in their individual capacities, shall have unrestricted access to all information of the Group necessary in discharging their duties.
- 10.2 All the Directors shall have access to the advice and services of the Management and Company Secretary in carrying out their duties and to ensure all rules, regulations and statutory requirements are complied with.
- 10.3 Every Director has the right to independent professional advice whenever necessary and reasonable for the performance of his duties at the Company's expense. However, the Director concern must seek the approval of the Board before incurring such expenses.

11. CODE OF CONDUCT

11.1 In the performance of his duties, a Director should at all times observe the Anti-Corruption Policy adopted by the Company and the following:

11.1.1 Corporate Governance

- (a) have a clear understanding of the aims and purpose, capabilities and capacity of the Company;
- (b) devote time and effort to attend meetings and to know what is required of the Board and each of its Directors, and to discharge those functions;
- (c) ensure at all times that the Company is properly managed and effectively controlled;
- (d) stay abreast of the affairs of the Company and be kept informed of the Company's compliance with the relevant legislation and contractual requirements;
- (e) insist on being kept informed on all matters of importance to the Company in order to be effective in corporate management;
- (f) at all times, exercise his powers for the purposes they were conferred for the benefit and prosperity of the Company;
- (g) disclose immediately all contractual interests whether directly or indirectly with the Company;
- (h) neither divert to his own advantage any business opportunity that the Company is pursuing, nor may he use confidential information obtained by reason of his office for his own advantage or that of others;
- (i) at all times act with utmost good faith towards the Company in any transaction and to act honestly and responsibly in the exercise of his powers in discharging his duties; and
- (j) be willing to exercise independent judgment and, if necessary, openly oppose if the vital interest of the Company is at stake.

11.1.2 Relationship with Shareholders, Employees, Creditors and Customers

- (a) be conscious of the interest of shareholders, employees, creditors and customers of the Company;
- (b) at all times promote professionalism and improve the competency of management and employees; and

- (c) ensure adequate safety measures and provide proper protection to workers and employees at the workplace.

11.1.3 Social Responsibilities and the Environment

- (a) adopt an objective and positive attitude and give the utmost co-operation for the common good when dealing with government authorities or regulatory bodies;
- (b) ensure the effective use of natural resources and improve quality of life by promoting corporate social responsibilities;
- (c) be more proactive to the needs of the community and to assist in society-related programmes; and
- (d) ensure that the activities and the operations of the Company do not harm the interest and well-being of society at large.

12. REVIEW OF BOARD CHARTER

- 12.1 The Board will review this Board Charter from time to time and make the necessary amendments to ensure that they remain consistent with the Board's objectives, current law and practices.