



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 27 February 2023

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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.
- 1.3 In this Board Charter, a reference to the Company shall, where applicable, include reference to the subsidiaries of TPC Plus Berhad.

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 and diversity

2.2.1 The Board shall have at least 1 woman Director² and a majority Independent Directors.

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 Board shall endeavour to have a diverse Board of Directors in terms of age, gender, ethnicity, cultural background, religious belief, etc. and be guided by the Group’s Diversity Policy in working actively towards having an appropriate representation of women at the senior management level and the Board of Directors.

2.3 Chairman

2.3.1 The Directors may from time to time elect a Chairman and determine the period for which he is to hold the office. The Chairman shall preside at all meetings of the Directors. If the Chairman is not present within 15 minutes after the time appointed for holding the meeting, the Directors present shall choose 1 of their number to act as chairperson of such Directors’ meeting.

2.3.2 The Chairman of the Board must not act as the Managing Director of the Company and shall not be appointed as a member or be a permanent invitee of the Audit Committee, the Nomination and Remuneration Committee⁴ or any other Board committee.

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 (a) The tenure of an Independent Director should not exceed a cumulative 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 Director⁵.

(b) 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 and provided such Director has not served as an Independent Director of the Company or any of its related corporations for a cumulative period of more than 12 years from the date of his first appointment as an Independent Director^{5A}.

2.4.4 The Board may appoint a **Senior Independent Director** who is expected to play the following roles^{5B} :

(a) To represent the views of the Independent Directors and lead communication with Executive Directors to ameliorate misunderstandings and boardroom tension.

(b) Acts as a sounding board to the Chairman (e.g. offer counsel to the Chairman on matters such as board dynamics and concerns of stakeholders);

(c) Serves as an intermediary for other Directors when necessary (e.g. facilitate confidential discussions with Directors who may have concerns which they believe have not been properly considered by the Board or which they feel may not be appropriate to raise in open forum or with the Chairman directly);

(d) Acts as point of contact for shareholders and other stakeholders particularly on concerns which cannot be resolved through the normal channels of the Chairman and/or Managing Director;

- (e) Provides leadership support and advice to the Board in the event that the Board is undergoing a period of stress (e.g. conflict between the Chairman and the Managing Director or the strategy being followed by the Chairman and/or Managing Director is not supported by the Board;
- (f) Leads the succession planning and appointment of Board members, including the future Chairman and Managing Director; and
- (g) Leads the annual review of Board effectiveness, ensuring that the performance of each individual Director is assessed objectively and holistically (i.e. the views of all the directors are obtained in an impartial manner).

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 A person proposed to be appointed or re-elected as a Director or continue to hold office as a Director of the Company must, firstly, not be disqualified under Sections 198 and 199 of the Companies Act 2016.
- 3.5 No person shall be appointed or re-elected as a Director on the Board or continue to serve as a Director if the person is or becomes an active politician. A person is considered an “active politician” if he is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party^{5C}.
- 3.6 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 retires⁶.
- 3.7 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.
- 3.8 The Board shall be guided by the Fit and Proper Policy in the appointment or re-election of Directors.

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 hold more than 5 directorships in public listed companies ⁸.

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 of Directors has the following key duties and responsibilities ^{8A} :

- 6.1.1 Together with the Senior Management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- 6.1.2 Review, challenge and decide on the Management's proposals for the Company, and monitor its implementation by the Management;

- 6.1.3 Ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- 6.1.4 Supervise and assess the Management's performance to determine whether the business of the Company is being properly managed;
- 6.1.5 Ensure that there is a sound framework for internal controls and risk management;
- 6.1.6 Understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks;
- 6.1.7 Set the risk appetite within which the Board expects the Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- 6.1.8 Ensure that the Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management;
- 6.1.9 Ensure that the Company has in place procedures to enable effective communication with stakeholders;
- 6.1.10 Ensure that all its Directors are able to understand financial statements and form a view on the information presented ^{8A}; and
- 6.1.11 Ensure the integrity of the Company's financial and non-financial reporting.

6.2 **Chairman of the Board**

The key responsibilities of the Chairman shall include the following ^{8B} :

- 6.2.1 Provide leadership for the Board so that the Board can perform its responsibilities effectively;
- 6.2.2 Lead the Board in the adoption and implementation of good corporate governance practices in the Group;
- 6.2.3 Set the Board agenda and ensure that Directors receive complete and accurate information in a timely manner;
- 6.2.4 Lead Board meetings and discussions;
- 6.2.5 Encourage active participation and allow dissenting views to be freely expressed;
- 6.2.6 Manage the interface between the Board and the Management; and
- 6.2.7 Ensure appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

6.3 Managing Director

- 6.3.1 The position of the Chairman of the Board and the Managing Director (“MD”) shall be held by different individuals with distinct and separate roles to ensure a balance of power and authority so that no one individual has unfettered powers of decision-making.
- 6.3.2 The MD is the highest ranking officer across the Group and is primarily responsible for the following:
- (a) To oversee the day-to-day operations to ensure the smooth and effective running of the Group.
 - (b) To implement 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.
 - (c) To develop and implement the overall corporate strategies, policies and directions of the Group’s business operations based on effective risk management controls.
 - (d) To ensure 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.
 - (e) To provide effective leadership to the Group and supervise heads of divisions and departments who are responsible for all functions contributing to the success of the Group.
 - (f) To ensure that an effective management succession plan is in place to sustain continuity of operations.
 - (g) To act as the conduit between the Board and the Management in ensuring the success of the Company’s governance and management functions.

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 a 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.

- 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 must also ensure that persons connected to him, if any, 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.
- 7.6 The Board of the Company shall not pass a resolution on behalf of the board of directors of its subsidiary even if all the Directors of the subsidiary sit on the Board of the Company or even if the subsidiary is wholly-owned by the Company. Any such resolution, if passed, will not bind the subsidiary.

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.
 - 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 Directors, Chairman and Managing Director.
- 9.1.2 Appointment and removal of Company Secretary and Internal Auditors and the appointment of External Auditors to fill a casual vacancy.
- 9.1.3 Establishment of Board Committees, their membership and delegated authorities.
- 9.1.4 Receiving or approving statements, reports and recommendations from Board Committees.
- 9.1.5 Reviewing and approving of the Corporate Governance Overview Statement, Corporate Governance Report, Statement on Risk Management and internal Control ¹⁸ and other statements or reports contained in the Company's Annual Report.
- 9.1.6 Assessment of the performance of the Board and Board Committees.
- 9.1.7 Approval of the quarterly unaudited financial results and the annual audited financial statements.

- 9.1.8 Providing compensation and remuneration of Directors and Senior Management in accordance with the Remuneration Policies and Procedures for Directors and Senior Management.
- 9.1.9 Recommendation of Directors' fees and any dividend to the Shareholders for approval at a meeting of members.
- 9.1.10 Monitoring of key risks and risk management policies and actions.
- 9.1.11 Review the effectiveness of the Group's system of internal control.
- 9.1.12 Approve the management and control structure within the Group including key policies and delegated authority limits.
- 9.1.13 Approval of treasury policies and bank mandate.
- 9.1.14 Acquisition and disposal of assets of the Company or of its subsidiaries that are material in nature in accordance with the Group's Approval Limit Matrix.
- 9.1.15 Provision of indemnities or corporate guarantees.
- 9.1.16 Recommendations for the alteration of the Company's Constitution.
- 9.1.17 Propose any corporate proposal on fund raising.
- 9.1.18 Propose any scheme of reconstruction or restructuring.
- 9.1.19 Convene meeting of members and approve the Circular to Shareholders to be issued in relation to the business of the meeting.

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 and responsibilities including oversight of group financial and non-financial performance, business strategy and priorities, risk management including material sustainability risks, and corporate governance policies and practices.
- 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 concerned 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.

Notes

- “Act” : Companies Act 2016
 “Code” : Malaysian Code on Corporate Governance
 “Constitution” : Constitution of TPC Plus Berhad
 “LR” : Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. Clause 21.2 of the Constitution.
2. Paragraph 15.02(1)(b) of the LR.
3. Paragraph 15.02(3) of the LR.
4. Practice 1.3 and 1.4 of the Code.
5. Practice 5.3 of the Code.
- 5A Paragraph 1.01 (Independent Director) of the LR.

Two-tier Voting (Page 174 of Corporate Governance Guide, Pull-out I)

Tier 1 : Vote by Large Shareholder(s) i.e.

A person who:

- Is entitled to exercise, or control the exercise of, not less than 33% of the voting shares;
- Is the largest shareholder of voting shares;
- Has the power to appoint or cause to be appointed a majority of the Directors of the Company; or
- Has the power to make or cause to be made, decisions in respect of the business or administration of the Company, and to give effect to such decisions or cause them to be given effect to.

Tier 2 : Vote by shareholders other than the Large Shareholder(s)

Based on a simple majority of vote for Tier 1 and a simple majority of vote for Tier 2, the resolution is passed if both Tier 1 and Tier 2 support the resolution:

Scenario	Tier 1	Tier 2	Outcome of Resolution
I	/	/	Carried
II	Abstained	/	Not carried
III	/	x	Not carried
IV	x	/	Not carried

- 5B Page 202 of the Corporate Governance Guide, Pull-out I
- 5C Guidance 5.5 of the Code (discourage to appoint active politician).
6. Clause 21.5(a) of the Constitution.
7. Paragraph 15.05(3)(c) of the LR.
8. Paragraph 15.06(1) of the LR.
- 8A Guidance 1.1 of the Code.
Courts have held that it is the duty of every director to read the financial statement of the company and carefully consider whether what they disclose is consistent with the director’s own knowledge of the company’s affairs.
- 8B Guidance 1.2 of the Code.
9. Section 217(1) of the Act.
Paragraph 3.02 of the Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries issued by the Securities Commission.
10. Section 221(1) of the Act.
11. Section 222(1) of the Act.
12. Paragraph 10.08(6) of the LR.
13. Paragraph 10.08(7) of the LR.
14. Clause 26.4(a) of the Constitution
15. Clause 26.4(c) of the Constitution
16. Clause 26.7 of the Constitution.
17. Clause 26.8 of the Constitution.
18. Paragraph 2.3 of Practice Note 9 of the LR.