



TPC PLUS BERHAD

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

BOARD CHARTER

Approved by the Board of Directors on 28 February 2018

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1. INTRODUCTION

- 1.1 The Board of Directors (“**the Board**”) is accountable and responsible for the performance and affairs of TPC Plus Berhad (“**the Company**”) including practising a high level of good governance. 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.

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 10.

2.2 Board balance

2.2.1 At least half of the Board must be 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 months.

2.3 Chairman

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

2.3.2 Where the Chairman is not an Independent Director, the Board must comprise a majority of Independent Directors.

2.3.3 Chairman of the Board must not act as Managing Director of the Company and/or chairman of the Audit Committee.

2.4 Independent Directors

2.4.1 An Independent Director who has served in that capacity for more than 9 years 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 shareholders’ approval in the event it wishes to retain such a Director as an Independent Director.

2.4.2 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/Managing Director on the quality, quantity and timeliness of the information submitted by 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.

3. **APPOINTMENT AND RE-ELECTION**

- 3.1 The appointment of a new Director is a matter for consideration and decision by the full Board upon the recommendation from the Board 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 All Directors are subject to retirement by rotation which shall be governed by the Articles of Association of the Company.

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.
- 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.

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 terms of reference 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 terms of reference, 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 Identifying and managing principal risks affecting the Group.
- 6.1.4 reviewing the adequacy of the Group's internal control policy.
- 6.1.5 approving major capital expenditure, capital management and acquisitions/disinvestments.
- 6.1.6 reviewing and monitoring systems of risk management and internal compliance and controls, codes of conduct, continuous disclosure, legal compliance and other significant corporate policies.
- 6.1.7 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 coordinating financial, physical, information and other resources needed to achieve the Company goals.
- 6.2.3 Directing : stimulate high performance by employees, communicating and coordinating with employees to lead and enthuse them to work effectively together 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 is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its 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 ensuring effective communication with shareholders and relevant stakeholders.
- 6.3.4 arranging regular evaluation of the performance of the Board, its Committees and individual Directors.

- 6.3.5 facilitating the effective contribution of Non-Executive Directors and maintaining a relationship of trust with and between Executive and Non-Executive Directors.
- 6.3.6 facilitating the ongoing development of all Directors.
- 6.3.7 ensures 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 ensures that Executive Directors look beyond their executive functions and accept their full share of responsibilities on governance.

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 practice 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. BOARD MEETINGS

- 7.1 The processes and procedures for convening board meetings are set out in the Company's Articles of Association which include, but not limited to, the following:
- 7.1.1 The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. A Director may at any time and the Secretary shall on the requisition of a Director summon a meeting of the Directors by giving them not less than 7 days notice thereof unless such requirement is waived by them.
 - 7.1.2 Questions arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.
 - 7.1.3 A Director shall not vote in respect of any contract or proposed contract or arrangement with the Company in which he has, directly or indirectly, an interest or any matter arising thereof, and if he does so vote his vote shall not be counted.
 - 7.1.4 The quorum necessary for the transaction of the business of the Directors shall be 2. Where 2 Directors form a quorum, the Chairman 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.
 - 7.1.5 Should the Chairman be absent from a meeting, the members of the Board present at the meeting may choose one of their number to chair the said meeting.

8. MATTERS RESERVED FOR THE BOARD

- 8.1 Other than those statutory and regulatory required and those accorded under the Company's Articles of Association, the following are matters reserved for Board deliberation and decision which are non-exhaustive and may be varied from time to time:
- 8.1.1 Appointment of Chairman and Managing Director
 - 8.1.2 Appointment and removal of Directors and Company Secretary
 - 8.1.3 Establishment of Board Committees, their membership and delegated authorities

- 8.1.4 Receiving and approving reports and recommendations from Board Committees
- 8.1.5 Assessment of performance of Board and Board Committees
- 8.1.6 Approval of interim and annual financial statements
- 8.1.7 Compensation and remuneration of Directors and key senior officers
- 8.1.8 Recommendation of Directors' fees and any dividend to the Shareholders for approval at a general meeting
- 8.1.9 Monitoring of key risks and risk management policies and actions
- 8.1.10 Review the effectiveness of the Group's system of internal control
- 8.1.11 Approve the management and control structure within the Group including key policies and delegated authority limits
- 8.1.12 Approval of treasury policies and bank mandate
- 8.1.13 Acquisition and disposal of assets of the Company or of its subsidiaries that are material in nature
- 8.1.14 Provision of indemnities or corporate guarantees
- 8.1.15 Recommendations for the alteration of the Memorandum and Articles of Association of the Company
- 8.1.16 Propose any corporate proposal on fund raising
- 8.1.17 Propose any scheme of reconstruction or restructuring

9. ACCESS TO INFORMATION AND INDEPENDENT PROFESSIONAL ADVICE

- 9.1 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.
- 9.2 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, requirements and regulations are complied with.
- 9.3 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.

10. CODE OF CONDUCT

10.1 In the performance of his duties, a Director should at all times observe the following codes:

10.1.1 Corporate Governance

- (a) Should have a clear understanding of the aims and purpose, capabilities and capacity of the Company;
- (b) Should 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) Should ensure at all times that the Company is properly managed and effectively controlled;
- (d) Should 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) Should insist on being kept informed on all matters of importance to the Company in order to be effective in corporate management;
- (f) Should have access to the advice and services of the Company Secretary who is responsible to the Board to ensure proper procedures, rules and regulations are complied with;
- (g) Should at all times exercise his powers for the purposes they were conferred, for the benefit and prosperity of the Company;
- (h) Should disclose immediately all contractual interests whether directly or indirectly with the Company;
- (i) Should 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;
- (j) Should 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
- (k) Should be willing to exercise independent judgment and, if necessary, openly oppose if the vital interest of the Company is at stake.

10.1.2 **Relationship with Shareholders, Employees, Creditors and Customers**

- (a) Should be conscious of the interest of shareholders, employees, creditors and customers of the Company;
- (b) Should at all times promote professionalism and improve the competency of management and employees; and
- (c) Should ensure adequate safety measures and provide proper protection to workers and employees at the workplace.

10.1.3 **Social Responsibilities and the Environment**

- (a) Should 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) Should ensure the effective use of natural resources and improve quality of life by promoting corporate social responsibilities;
- (c) Should be more proactive to the needs of the community and to assist in society-related programmes; and
- (d) Should ensure that the activities and the operations of the Company do not harm the interest and well-being of society at large.

11. REVIEW OF BOARD CHARTER

- 11.1 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.