



**GOLDEN PHAROS BERHAD**

(Company No. 152205-W)

# **BOARD CHARTER**

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Terengganu Darul Iman

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## 1. INTRODUCTION

The Board Charter sets out the Board of Directors (Board)'s strategic intent and outlines the Board's roles, powers that the Board reserves for itself and responsibilities that are delegated to the Management and the various Board Committees. This Board Charter is subject to the provisions of the Companies Act 2016, the Constitution of Golden Pharos Berhad (the Company) and the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities).

## 2. BOARD'S ROLES, RESPONSIBILITIES AND AUTHORITY

### 2.1 Board's Roles

The roles of the Board are to promote and protect the interests of the shareholders and stakeholders of the Group. It sets the strategic direction, provides thought leadership as well as champion good governance and ethical practices to ensure long-term growth and deliver sustainable values to its stakeholders.

### 2.2 Principal Responsibilities

The Board has the following principal responsibilities in discharging its fiduciary duties and leadership functions of the Group:

- i. Together with senior management, promote good corporate governance culture within the Group which reinforce ethical, prudent and professional behavior;
- ii. Review, challenge and decide on management's proposals for the Group and monitor its implementation by Management;
- iii. Ensure that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- iv. Supervise and assess management performance to determine whether the business is being properly managed;
- v. Ensure that there is a sound framework for internal controls and risk management;
- vi. Understand the principal risks of the company's business and recognise that business decisions involve the taking of appropriate risks;
- vii. Ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- viii. Establish succession plan including ensuring that 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;



- ix. Ensure that the Company has in place procedures to enable effective communication with stakeholders; and
- x. Ensure the integrity of the Group's financial and non-financial reporting.
- xi. Ensure compliance with the principles and recommendations of the MCCG and the Bursa Malaysia Listing Requirements.

### 2.3 Matters Reserved

The matters listed in the Appendix A are reserved for the collective decision of the Board.

### 2.4 Authorities

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

- i. Be provided with resources to perform its duties and responsibilities;
- ii. Have direct access to the Senior Management team and the external auditors;
- iii. Have direct access to the Company Secretary, and full and unrestricted access to information, records and reports in performing their duties; and
- iv. Obtain independent professional advice. Any independent advice sought by the Board member should be discussed with the management and brought up at the Board meeting to establish the relevance of such independent advice.

## 3. **BOARD COMPOSITION**

### 3.1 Composition

The Board is responsible in the determination of the appropriate size of the Board which shall be not less than (2) and not more than (9).

Members of the Board should possess the relevant knowledge, skill, competency, experience, character and commitment to contribute effectively to the Board. The Board shall also regularly review its membership to ensure it remains relevant.

At least two Directors or one third of the Board, whichever is higher, shall be independent non-executive directors (Independent Director) as defined in the MMLR of Bursa Securities.

Upon completion of 9 years service, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. Otherwise, the Board must justify and seek shareholders' approval at annual general meeting (AGM) in the event it retains the Director as an Independent Director. If the Board continues to retain the Independent Director after the twelfth (12) year, the Board



shall seek annual shareholders' approval through a two-tier voting process. Under the two-tier voting process, shareholders' votes will be cast in the following manner at the same shareholders' meeting:

- Tier 1: Only the Large Shareholder(s) of the Company votes.
- Tier 2: Shareholders other than Large Shareholder(s) votes.

Large Shareholder means a person who:

- is entitled to exercise, or control the exercise of, not less than 33% of the voting shares in the Company; or
- is the largest shareholder of voting shares in the Company; or
- 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 such decisions or cause them to be given effect to.

The decision for the resolution is determined based on the vote of Tier 1 and a simple majority of Tier 2. If there is more than one Large Shareholder, a simple majority of votes determines the outcome of the Tier 1 vote.

The resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution.

However, the resolution is deemed to be defeated where the vote between the two tiers differs or where Tier 1 voter(s) abstained from voting.

Any Director may relinquish his Directorship on the Board with prior written notice to the Company Secretary subject to compliance with the Companies Act 2016, Company's Constitution and MMLR of Bursa Securities.

### 3.2 Diversity

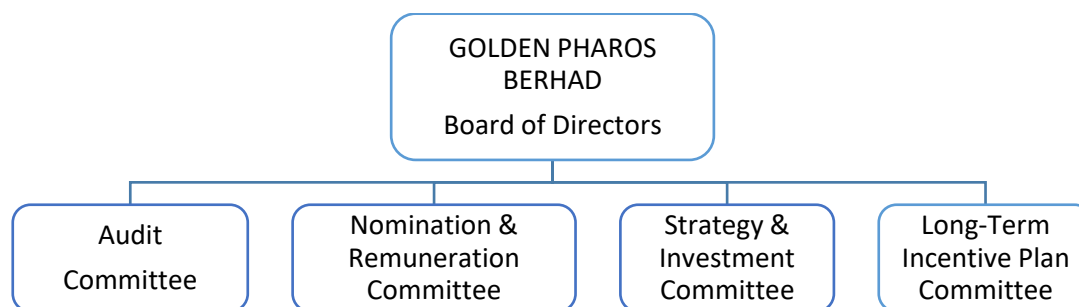
The Company promotes corporate culture that embraces gender diversity when determining composition of employees at all levels from a diverse pool of qualified candidates. Although the Board does not endorse quotas, it does commit to having an increasing representation of women in senior positions in the Company and on the Board. The Board through the NRC will review the proportion of the female to male Board Members during recruitment and annual assessment of the Board performance taking into consideration the appropriate skills, experience and characteristics required of the Board Members, in the context of the needs of the Group.



## 4. BOARD STRUCTURE AND COMMITTEES

### 4.1 Governance Structure

The governance structure of the Board is as follows:



#### Board Committees

The Board has established the following committees to assist in fulfilling its oversight responsibilities:-

- i. Audit Committee (AC);
- ii. Nomination & Remuneration Committee (NRC);
- iii. Strategy & Investment Committee (SIC); and
- iv. Long-Term Incentive Plan Committee

The terms of reference of AC and NRC are set out in the Appendices C and D.

## 5. RESPONSIBILITIES OF CHAIRMAN AND INDIVIDUAL DIRECTOR

### 5.1 Roles of Chairman

The Chairman is primarily responsible for instilling good governance practices, leadership and effectiveness of the Board.

His responsibilities include:

- i. Providing leadership for the Board so that the Board can perform its responsibilities effectively;
- ii. Setting the Board agenda with the Company Secretary and ensuring that Board members receive complete and accurate information in a timely manner;
- iii. Leading Board meetings and discussions;
- iv. Encouraging active participation and allowing dissenting views to be freely expressed; and
- v. Leading the Board in establishing and monitoring good corporate governance practices in the Company.



## 5.2 Responsibilities of individual Director

Every Director, in discharging his fiduciary duties as Director, is expected to:

- i. Act in good faith and in the best interest of the Group;
- ii. Act with reasonable care, skill and diligence subject to the business judgement rule;
- iii. Avoid conflict of interest with the Group in a personal or professional capacity;
- iv. Ensure Board information, deliberations and decisions that are not publicly known are not used for personal interest;
- v. Disclose and abstain from voting on matter of personal interest;
- vi. Comply with the Companies Act 2016, securities legislation and MMLR of Bursa Securities;
- vii. Devote sufficient time to prepare for and attend Board and Board Committee Meetings and attend Directors' continuous training program;
- viii. Attend at least 50% of the Board Meeting held in each financial year; and
- ix. Notify the Chairman before accepting any new Directorship on other listed company and to indicate the time expected to be spent on the new appointment.

## 5.3 Duties of CEO

The duties of the CEO include:

- i. Overseeing the day-to-day business operations, implementing Board policies and strategies, and making operational decisions;
- ii. Serving as the conduit between Board and Management in ensuring the success of the Group's governance and management functions;
- iii. Providing strong leadership by effectively communicating the vision, business strategy and environment, safety and health policy to employees; and
- iv. Keeping the Board informed on the important aspects of the Group's operations.

## 5.4 Senior Independent Director

The Board may appoint a senior Independent Director to whom shareholders' concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman or CEO of the Board have failed to resolve them.

# 6. **BOARD MEETING**

## 6.1 Frequency

The Board shall meet at least five (5) times in a financial year with additional meeting to be convened as and when necessary.

## 6.2 Notice, Agenda and Timeframe to Circulate Meeting Papers

Notices and agendas of meetings duly endorsed by the Chairman together with meeting materials are to be circulated at least five (5) working days, or a shorter period where unavoidable, prior to meeting.



### 6.3 Quorum and Chairman

The quorum for Board Meeting shall be a minimum of two (2). In the absence of Chairman, the members present shall appoint one from amongst themselves to chair the meeting.

### 6.4 Mode of Meeting

A meeting shall normally be conducted face to face to enable effective discussion. It may also be conducted via teleconferencing, video conferencing or other appropriate mode as decided by the Board.

The Board may from time to time consider and approve relevant routine and administrative matters via a resolution in writing. A written resolution approved by a majority of Directors shall be as valid and effectual as if it has been passed by a meeting of the Board duly convened. Approval can be through facsimile, email or other means of electronic communications. Any such resolution may consist of several documents, in like form, each signed by one or more Directors.

### 6.5 Voting

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.

A Board member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.

### 6.6 Minutes

The minutes of the meeting shall record the deliberations and decisions of the Board. Minutes shall be distributed to Board members 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. **REMUNERATION OF DIRECTORS**

The Company's remuneration policy for Directors is to provide remuneration at the level and make-up sufficient to attract, motivate and retain the Directors needed to manage the business of the Group successfully.

Remuneration packages of Executive Directors are a matter to be decided by the Board as a whole, taking into consideration the recommendations of the Remuneration Committee with the individual Director abstaining from discussion on his/her own remuneration. For Non-Executive Directors, the amount of remuneration varies with the level of responsibilities undertaken by the individual Non-Executive Director.

All Non-Executive Directors are paid fixed annual Directors fees as members of the Board and Board Committees. In addition to fixed annual Director fees, they are paid a meeting attendance allowance for each Board meeting attended. They will also be paid additional remuneration





based on their responsibilities in the Board. The fees and benefits payable to Non-Executive Directors are determined by the Board and approved by the shareholders of the Company at general meetings.

Below is the Directors Remuneration Package for the Company:

	<b>Chairman</b>	<b>Director</b>
	<b>RM</b>	<b>RM</b>
Monthly allowance	10,000	-
Meeting / Sitting Allowance	1,200	1,000
Max. allowable reimbursable expenses	8,000	6,000
Annual fee (approved at AGM)	30,000	25,000
Ex-gratia Hari Raya		
• If profit	6,000	3,000
• If loss	500	500
Ex-gratia Year End		
• If profit	9,000	7,000
• If loss	500	500
Monthly Car benefit - type of car* / (in lieu of car) **	2,200	-
Monthly Car benefit - petrol	1,000	-
<b>Others:</b>		
(i) Drivers' allowance	1,500	-
(ii) Personal accident policy (indv. only)	400,000	400,000
(iii) Medical & surgical policy (indv. only)	20,000	17,000
(iv) Outpatient medical treatment (incl. family)	6,500	6,500

## 8. BOARD AND DIRECTORS ASSESSMENT

The Board should review the performance of the Board, its Committees and each individual Director (including independent director) annually to remain relevant and effective.

The Board via the Nominating Committee shall establish the criteria for the assessment.

Disclosure on how it has conducted such assessment and its outcome should be made in the annual report.

## 9. CODE OF CONDUCT AND ETHICS

The Board shall formalise and maintain a set of ethical standards of behaviour expected of all Directors and Employees including managing conflict of interest, preventing abuse of power, corruption, insider trading and money laundering. Details of the Code of Conduct and Ethics are set out in Appendix B attached.

## 10. WHISTLE BLOWING POLICY

The Board should establish, review and together with Management implement appropriate policies and procedures on whistleblowing.



## **11. COMPANY SECRETARY**

- i. The Board shall ensure that it is supported by a suitably qualified and competent Company Secretary.
- ii. The responsibilities of the Company Secretary include:
  - Advising the Board on its roles and responsibilities;
  - Helping the Board and its Board Committees function effectively and in accordance with their terms of reference and best practices;
  - Facilitating the orientation of new Directors and assist in Directors training and development;
  - Advising the Directors on corporate disclosures and compliance with Companies Act 2016, securities regulations and MMLR of Bursa Securities;
  - Managing processes pertaining to the annual shareholders' meeting;
  - Managing Board & Board Committee meeting logistic, attending and recording minutes thereof and facilitating Board Communication; and
  - Monitoring corporate governance development and informing the Board of current governance practices.

## **12. STAKEHOLDERS' COMMUNICATION**

The Board shall ensure ongoing engagement and communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Channels of communication with stakeholders include:

- establishing an investor relations function;
- conducting engagement forums;
- organizing investor, analyst and media briefings; and
- use of company's website where stakeholders can access products and services, corporate information, annual reports, financial information, corporate presentations, Company announcements and stock information.

## **13. GENERAL MEETING**

All Directors and the Chairs of Board Committees shall attend General Meetings to engage directly with shareholders and to allow shareholders to raise questions directly to those responsible.

## **14. REVIEW OF THE BOARD CHARTER**

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



## MATTERS RESERVED FOR COLLECTIVE DECISION OF THE BOARD

The authorities of the Board are specified below. The authorities may be varied from time to time as determined by the Board.

### 1 Conduct of the Board

- i. Appointment and recommendation for removal of Directors.
- ii. Appointment and removal of Company Secretaries.
- iii. Appointment of Board Committees, Chairman and members of the Committee.
- iv. Approval of terms of reference of Board Committees and amendments to such terms.
- v. Appointment of senior executive positions, including that of the CEO and Executive Directors of the Company and their duties and the continuation (or not) of their service.

### 2 Remuneration

- i. Recommendation of the Directors' fee and other remuneration for Non-Executive Directors.
- ii. Approval of the remuneration package structure and policy for CEO and Executive Directors.
- iii. Approval of any proposed employees' share option scheme and/or amendments to the scheme, subject to other approvals that may be required by law or regulations.

### 3 Operational

- i. Approval of business strategy and group corporate objectives.
- ii. Periodic review of performance against corporate objectives and group operational plan.
- iii. Approval of capital expenditure above the prescribed amount as may be determined from time to time.
- iv. Approval of investment or divestment in a company/ business/ property/ undertaking of a substantial value.
- v. Approval of investment or divestment of a capital project which represents a significant diversification from the existing business activities.
- vi. Approval of changes in the major activities of the Company or Group.
- vii. Approval of treasury policies and bank mandate.

### 4 Financial

- i. Approval of interim and annual financial statements.
- ii. Approval for the release of financial announcements.
- iii. Approval of the Annual Directors' Report and Statutory Accounts.
- iv. Approval of dividend policy, interim dividends, the recommendation of final dividends and the making of any other distribution.
- v. Adoption of accounting policies.
- vi. Review the adequacy and effectiveness of the Group's internal control system.



5 Other Matters

- i. The granting of powers of attorney by the Company.
- ii. The entering into of any indemnities or guarantees.
- iii. Recommendations for the alteration of the Constitution of the Company.
- iv. Alteration of the financial year end date, registered office and name of the Company.
- v. Purchase of own shares by the Company subject to having a valid shareholders' mandate.
- vi. Issuance of any debt instruments.
- vii. Scheme of reconstruction or restructuring.
- viii. Any other significant business decision.
- ix. Any other matter requiring the convening of a general meeting of shareholders or any class of shareholders.
- x. Any other matters as may be required by law or the governing authorities.



<b>COMPANY DIRECTORS CODE OF CONDUCT AND ETHICS</b>
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**1. OVERVIEW**

The Board establishes this Code of Conduct and Ethics ("Code") to promote good business conduct and maintain a healthy corporate culture that engenders integrity, transparency and fairness.

**2. OBJECTIVE**

The objective of the Code is to set out core areas of ethical conduct expected of all Directors based on acceptable values the Company upholds. The Code is not intended to be exhaustive, and there may be additional obligations that Directors and Employees are expected to behave or conduct when performing their duties.

For all intents and purposes, all Directors shall always uphold the spirit of accountability and social responsibility in line with all applicable laws, rules and regulations governing the Company.

Where there is conflict between a provision of this Code and any regulatory and legislative provisions, the stricter provision shall apply.

**3. APPLICABILITY**

The Code is applicable to all Directors of the Company. If a Director requires further clarification on the Code, the Director may refer or highlight any concerns to the CEO of the Company.

**4. CORE AREAS OF CONDUCT****4.1 Conflict of Interest**

The Directors are expected to make business decisions in the best interest of the Company and should avoid involving themselves in situations where there is real or apparent conflict of interest between them as individuals and the interest of the Company. Directors must not use their positions or knowledge gained directly or indirectly in the course of their duties for private or personal advantage.

In addition, a Director shall avoid any situation in which the Director has an interest in any entity or matter that may influence the Director's judgment in the discharge of responsibilities.

**4.2 Guarding against Bribery and Corruption**

The Company takes a zero-tolerance approach towards bribery and corruption, and is committed to behaving professionally, fairly and with integrity in all the business dealings and relationships wherever the Company operates, and implementing and enforcing effective systems to counter bribery and corruption.

Directors must comply with all applicable anti-corruption laws and regulations and treaties in the countries in which the Company operates.



Directors must not directly or indirectly promise, offer, grant or authorise the giving of money or anything else of value, to government officials, officers of private enterprises and their connected persons to obtain or retain a business or an advantage in the conduct of business.

These include:

- a) Commissions that Directors have reason to suspect will be perceived as bribes or have reason to suspect will be used by the recipient to pay bribes or for other corrupt purposes; and
- b) Facilitation payments ('grease payments') which are regarded as payments to government officials to gain access, secure or expedite the performance of a routine function they are in any event obligated to perform.
- c) Directors must also refrain from any activity or behaviour that could give rise to the perception or suspicion of any corrupt conduct or the attempt thereof. Promising, offering, giving or receiving any improper advantage in order to influence the decision of the recipient or to be so influenced may not only result in disciplinary action but also criminal charges.
- d) All Counterparts (when representing the Company) are under a duty not to promise, offer or give any improper advantage on behalf of the Company. Directors must endeavour to ensure that these Counterparts do not promise, offer or give any such improper advantage on behalf of the Company.

#### 4.3 Gifts

- a) Directors or their family members must not solicit any gifts from Counterparts or Business Partners directly or indirectly. They are also discouraged from accepting gifts from these parties.
- b) Similarly, Directors may offer gifts to promote good business relationships. However, they must be sensitive to the recipient organisation's gifts receiving policy.
- c) Directors or their family members must never accept or offer, with or without approval, gifts in the form of cash or cash equivalents, personal services or those otherwise that may put themselves in a position of conflict, influence the business decision or was otherwise intended or given with the expectation of gaining any advantage, or which may adversely affect the Company's reputation.

#### 4.4 Entertainment

- a) Directors or their family members must not solicit any form of entertainment from Counterparts or Business Partners directly or indirectly. They may accept invitations to social events or entertainment within reason according to the scope of their work provided these events or entertainment are not lavish or become a regular feature that may influence business decision making process.



- b) Directors must not accept, engage or offer any entertainment that is indecent, sexually oriented or that otherwise might put themselves in a position of conflict or adversely affect the Company's reputation.

#### 4.5 Donation

- a) Donations are part of the Company's commitment to society and a way of contributing to worthy causes. Unfortunately, even legitimate donations sometimes have the risk of creating the appearance of bribery and corruption.
- b) All requests for donations received by the Directors must be referred to the CEO of the Company.

#### 4.6 Money Laundering

Money laundering is the process of concealing the true nature or source of unlawfully obtained funds and passing it through legitimate business channels by means of bank deposits, investments, or transfers from one place (or person) to another.

All Directors are prohibited from involvement in money laundering activities, either directly or indirectly.

Directors are expected to be mindful of the risk of the Company's business being used for money laundering activities and to raise any suspicious transactions to the CEO.

#### 4.7 Confidential Information

It is pertinent that all Directors exercise caution and due care to safeguard any information of confidential and sensitive nature relating to the Company which is acquired in the course of their directorship, and are strictly prohibited to disclose to any person, unless the disclosure is duly authorized or legally mandated.

#### 4.8 Insider Information and Securities Trading

Director shall use price sensitive non-public information which can affect the price of the securities of the Company when it becomes publicly known, for personal benefit. Directors are not allowed to trade in securities or to provide insider information of the Company to anyone, including family members and friends until Insider Information is publicly released.

#### 4.9 Protection of Assets

Directors must protect the assets of the Company to ensure availability for legitimate business purposes and that no property, information or position belonging to the Company or opportunity arising from these be used for personal gain.

#### 4.10 Compliance with the Law

The Company will comply with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdictions within which the Company operates. Directors are expected to understand and comply with the laws, rules and regulations that are applicable to their positions and/or directorship, including the Anti-



Money Laundering and Anti-Terrorism Financing Act 2001, Malaysian Anti-Corruption Commission Act 2009, Personal Data Protection Act 2010, Competition Act 2010, etc.

#### 4.11 Health, Safety and Environment

The Company will use its best endeavours to ensure a safe workplace and maintain proper occupational health and safety practices to commensurate with the nature of the Company's businesses and activities. Such a commitment in return requires that all Directors understand and abide by the Company's policies and procedures.

The Company further ensures the business operations are sustainable, by proactively addressing environmental challenges and respecting fundamental human rights, without sacrificing long-term economic value creation.

#### 4.12 Working with Local Communities

The Company engages with and contributes to local communities in a socially responsible manner within its areas of operation without compromising the benefits of any particular stakeholder.

#### 4.13 Sexual Harassment

Sexual harassment by any Director is unacceptable. It is the Company's policy to provide all Employees with a working environment free from any form of sexual harassment. Any questions concerning issues of such should be directed to the CEO. All such reports and/or complaints shall be treated with strictest confidence.

#### 4.14 Outside Interest

Directors shall not engage in an outside interest that will undermine the performance of the Directors or bring disrepute to the Company.

#### 4.15 Misconduct

Director shall not be involved in or abet any activity that is deemed by the Company to be an act of misconduct (includes use and abuse of drugs).

### 5. **REPORTING OF VIOLATIONS OF THE CODE**

Any person who knows of, or suspects, a violation of the Code, is encouraged to whistle blow or report the concerns through the Whistle Blowing Policy. No individual will be discriminated against or suffer any act of retaliation for reporting in good faith on violations or suspected violations of the Code.

### 6. **REVIEW OF THE CODE**

The Board will review the Code from time to time to ensure that it continues to remain relevant and appropriate.





<b>TERMS OF REFERENCE OF AUDIT COMMITTEE ("AC")</b>
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This Terms of Reference extends to GPB and all its subsidiaries, joint ventures and associates within the Group.

## 1. COMPOSITION

The AC shall be appointed by the Board of Directors from among their number and shall comprise of not less than three (3) members which fulfils the following requirements: -

- i. all the AC members must be Non-Executive Directors, with a majority of them being Independent Directors; and
- ii. all the AC members should be financially literate;
- iii. at least one (1) member:
  - a. must be a member of the Malaysian Institute of Accountants (MIA); or
  - b. if he is not a member of MIA, he must have at least three (3) years' working experience and: -
    - he must have passed the examinations specified in Prt I of the 1st Schedule of the Accountants Act, 1967; or
    - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.
    - fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
- iv. No alternate Director shall be appointed as member of the AC.
- v. Former key audit partner may be appointed as a member of the AC, but must observe a cooling-off period of at least two (2) years prior to his appointment.

The chairman of the AC shall be appointed by the Board from among their Independent Directors who must not be the Chairman of the Board.

The terms of office and performance of the Committee and each of its members must be reviewed by the Board of Directors at least once every 3 years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

In the event of any vacancy in the Committee resulting in the non-compliance of the listing requirement of the Bursa Malaysia pertaining to composition of audit committee, the Board of Directors shall within three months of that event fill the vacancy.

## 2. AUTHORITY

The AC wherever necessary and reasonable for the performance of its duties, shall in accordance with the procedure determined by the Board and at the cost of the Company:



- i. have authority to investigate any matter within its terms of reference;
- ii. have the resources which are required to perform its duties;
- iii. have full and unrestricted access to any information, records, properties and personnel within the Group;
- iv. have direct communication channels with the external auditor and person(s) carrying out the internal audit function or activity;
- v. To obtain independent professional advisers or other advisers and to engage outsiders with relevant experience and expertise if necessary; and
- vi. be able to convene meetings with external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

### 3. FUNCTION AND DUTIES

The functions and duties of the BAC shall be to:

- i. to review the quarterly results and year-end financial statements prior to the approval by the Board of Directors, focusing on, amongst others:
  - changes in or implementation of major accounting policies and practices;
  - significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; and
  - compliance with accounting standards and other legal and regulatory requirements;
- ii. to review with the external auditors:
  - the nature and scope of audit;
  - their audit plan;
  - their evaluation of the system of internal controls;
  - their audit report; and
  - the assistance given by the employees of the Company to the auditors.
- iii. to review with the internal auditors:
  - the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work; and
  - the internal audit program, processes and investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal auditors;
- iv. to review any related party transactions and conflict of interest situations that may arise within the Company or Group.
- v. to recommend to the Board the appointment, re-appointment, resignation or dismissal of external auditors and the audit fees.
- vi. to assess suitability of the external auditor on annual basis based on the following criteria:
  - auditor independence;
  - quality of audit services; and
  - audit fees



- vii. Promptly report to Bursa Malaysia Securities Berhad (“BMSB”) on matters reported by it to the Board that have not been satisfactorily resolved resulting in a breach of the Listing Requirements of the BMSB.
- viii. To consider and examine any other matters as the Audit Committee consider appropriate or as instructed by the Board of Directors.

#### **4. FREQUENCY OF MEETINGS, QUORUM AND SECRETARY**

The AC shall meet not less than four (4) times in a year. Additional meetings may be convened at any time if so requested by any AC member, CEO or the internal or external auditors.

A quorum shall consist of a majority of members present who must be Independent Directors.

In the absence of the chairman, the members present shall elect one of their members, who must be an Independent Director as chairman for the meeting.

Other Directors and management personnel may attend any particular AC meeting only at the Committee’s invitation, specific to the relevant meeting.

The Company Secretary shall be the Secretary of the AC. Agenda and notice of meeting shall be circulated, at least one (1) week before each meeting to the members of the AC.

The minutes of all AC meetings shall be circulated to the members of the Board together with the Board meeting papers.

The AC shall regulate the manner of proceedings of its meetings, having regard to normal conventions on such matter.



<b>TERMS OF REFERENCE OF NOMINATION &amp; REMUNERATION COMMITTEE ("NRC")</b>
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This Terms of Reference shall apply to GPB and its Group of Companies:-

### 1. COMPOSITION

The NRC shall have at least three (3) members, all of whom shall be non-executive directors with the majority being independent directors.

The appointment of a NRC member terminates when the member ceases to be a Director, or as determined by the Board.

### 2. AUTHORITY

2.1 The NRC shall have access to all information pertaining to the Company to enable the committee to discharge its duties effectively.

2.2 The NRC may request other directors, members of Management, counsels, consultants as applicable to participate in the committee meetings, as necessary, to carry out its responsibilities

2.3 For avoidance of doubt all the powers of authorities herein as stated or specifically authorized within the ambit of the Term of Reference, should not be usurped, delegated and abrogated in any manner, by/to any person, body or authority whatsoever.

### 3. SCOPE AND FUNCTIONS

The scope and function of the NRC shall include the following:

#### 3.1 Nomination

3.1.1 To determine the criteria for Board membership, including qualities, experience, skills, expertise, education background and qualifications, competencies, integrity, contribution, level of commitment in terms of time and other qualities that will best qualify a nominee to serve on the Board.

3.1.2 To review annually and recommend to the Board with regard to the structure, size, tenure, directorships, balance and composition of the Board and Committees including the required mix of skills and experience, core competencies which the Directors should bring to the Board and other qualities to function effectively and efficiently.

3.1.3 To recommend to the Board, Directors for re-election/re-appointment by the shareholders.



- 3.1.4 To evaluate on an annual basis, the effectiveness of the Board as a whole, the performance of the Board Committees and each individual Director as well as the performance and term of office of each Audit Committee Member.
  - 3.1.5 To assess annually the independence of the Independent Directors.
  - 3.1.6 To assess the training needs of the Directors.
  - 3.1.7 To consider and examine any other matters as the NRC considers appropriate or as instructed by the Board.
- 3.2 Remuneration
- 3.2.1 To review and recommend to the Board the Directors' fees, allowances and other fringe benefits to be accorded to the Directors in accordance with the contribution and level of responsibilities undertaken by the Board of Directors.
  - 3.2.2 To recommend to the Board any performance related pay schemes for Executive Directors.
  - 3.2.3 To ensure that a strong link is maintained between the level of remuneration and individual performance against the performance of the Group and the achievement of the organization targets.
  - 3.2.4 To review and verify the allocation of scheme options pursuant to the Company's Share Issuance Scheme in accordance to the Bursa Malaysia Securities Berhad Main Market Listing Requirements.
  - 3.2.5 To consider other matters as referred to the NRC by the Board.

#### **4. FREQUENCY OF MEETINGS, QUORUM AND SECRETARY**

The NRC shall meet at least once a year. Additional meetings shall be scheduled as considered necessary by the Chairman of the BNRC.

The quorum for the NRC shall be at least two (2) members shall form a quorum of the NRC meeting. In the absence of the Chairman, the members present shall elect one of their number to chair the meeting.

The Company Secretary of GPB shall be the Secretary of the NRC. The Notice and Agenda for each meeting shall unless otherwise agreed to by the members, be circulated to the NRC members and all those who are required to attend the meeting, at least seven (7) days before each meeting.

The minutes of all NRC meetings shall be circulated to the members of the Board together with the Board meeting papers.



<b>WHISTLEBLOWING POLICY</b>
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**1. THE POLICY AND ITS PURPOSE**

The Policy protects the whistleblower who lodged a report/complaint, provided the report is made in good faith ("Whistleblower"). Anyone engaging in retaliatory conduct against the whistleblowing employee will be subjected to enforcement action under Section 10 (6) of the Whistleblower Protection Act 2010 ("WPA Act 2010").

Any employee who has made report in good faith is protected against adverse employment actions which will affect his/her livelihood (e.g. discharge, demotion, suspension, harassment or other forms of discrimination) for reporting improper conduct.

An employee or any other party is protected even if the report made proved to be incorrect or unsubstantiated. The revocation of whistleblower protection can only be made in the event the conditions specified under Section 11 (1) of the WPA 2010 are met in the opinion of the Company namely:

- (a) The Whistleblower himself has participated in the improper conduct disclosed.
- (b) The Whistleblower wilfully made in his disclosure of improper conduct a material statement which he knew or believed to be false or did not believe to be true.
- (c) The disclosure of improper conduct is frivolous or vexatious.
- (d) The disclosure of improper conduct principally involves questioning the merits of government policy.
- (e) The disclosure on improper conduct is made solely or substantially with the motive of avoiding dismissal or other disciplinary action.
- (f) The Whistleblower, in the course of making the disclosure or providing further information, commits an offence under the WPA2010.

**2. SCOPE**

The Policy applies to the Company and all its subsidiary companies (if any). Employees (including permanent, contract, part time or casual employees), Directors, Shareholders, Consultants, Contractors, outside agencies or any parties with a business relationship with the Company or its subsidiaries (if any) are encouraged to disclose any wrongdoings that may adversely impact the Company.



### **3. IMPROPER CONDUCT**

The following shall constitute "Improper Conduct" under this Policy:

- i. Incidents of fraud, corruption or bribery;
- ii. Conduct or activity which breaches any law or regulatory obligation;
- iii. Breach of Company's policies, practices, procedures or other rules of conduct;
- iv. Improprieties in matters of financial reporting;
- v. Situations which pose danger to the health and safety of any individual, or significant danger to the environment.

### **4. CONFIDENTIALITY OF THE REPORT**

All reports and identity of the Whistleblower will be treated in a confidential and sensitive manner. A report will only be disclosed to those who are authorised to carry out investigation into matters relating to the report. The identity of the Whistleblower shall always be withheld in these circumstances. The whistleblowers shall be informed where a referral is made.

### **5. MALA FIDE REPORT**

- i. If the employee makes a report in good faith, which is not substantiated and confirmed by subsequent investigations, no action will be taken against the employee. In making a report, an employee must exercise due care to ensure the accuracy of the information given.
- ii. If, however, an employee makes mala fide report, disciplinary action may be taken against such employee. The onus is on the organization to prove that the said employee had made a mala fide report.

### **6. DISCLOSURE OF REPORT**

- i. All employees are encouraged to make a report directly to any of the following authorized personnel in any format as they please :
  - a) Chief Executive Officer;
  - b) Executive Director;
  - c) Human Resources Manager;(Collectively be known as "the Committee").



- ii. The report can be made verbally or in writing including emails, telephone conversations and letters addressed to one of the above personnel disclosing the following information:
  - a) Nature of wrongdoing;
  - b) The date of incidence;
  - c) Time and place of its occurrence;
  - d) The identity of the alleged wrongdoer;
  - e) Particulars of witnesses, if any;
  - f) Particulars or production of documentary evidence, if any.
- iii. The Whistleblower must have first-hand knowledge or information of the facts, i.e. information obtained from third party or 'hearsay' will not be entertained. However, the Whistleblower should not be discouraged from making a report because they are unsure whether there is sufficient evidence to support their allegations.
- iv. Employees who have raised concerns internally will be informed of who is handling the matter, how they can be in contact with them and if there are any further assistances required.

## 7. PROCEDURE

- i. The Committee shall have the authority including but not limited to:
  - a) Determine the legitimacy of the report;
  - b) Direct further action(s); and
  - c) Determine who should conduct the investigation i.e. engage external expertise.
- ii. If any of the Committee members is the suspect involved in the improper conduct, such member will be automatically be abstained from performing any activities relating to the report received from the Whistleblower including but not limited to attending meeting or involve in the investigation.
- iii. The assigned investigator must take all reasonable steps to ensure that investigations regarding the report is fair and unbiased.
- iv. The assigned investigator will keep detailed records of all evidence gathered, interviews conducted and all records received which may affect the outcome of the investigation.





- v. The Whistleblower may be asked to provide further clarifications and information from time to time in the course of investigation.
- vi. There may be circumstances where the Employee of the Company may be needed as a witness. Should this be the case, the Company will discuss the matter with the employee at the earliest opportunity.
- vii. In the course of investigation, the Company may need to share information with others on a “need to know” basis.
- viii. Upon conclusion of the investigation, the assigned investigator will present the outcome of the investigation to the Committee.

## **8. POST-REPORT ACTION**

- i. If the Committee is satisfied with the outcome of the investigation, it will communicate to the management of the Company to proceed with action based on established policy and procedures for the necessary disciplinary action to be taken immediately. Instituting the disciplinary action will be the responsibility of HRD.
- ii. The management of the Company must also take into account recommendations contained in the investigation report to prevent the conduct from continuing or occurring in the future. Actions to be taken may also be directed to remedy any harm or loss arising from the conduct.

## **9. CONFIDENTIALITY AND PROTECTION**

A Whistleblower must identify himself/herself when submitting any report.

Upon making the report in good faith:

- a. The Whistleblower will be protected from any reprisal within the Company or its subsidiaries as a direct consequence of the report. Reprisal in this context means disciplinary measures, demotion, suspension or termination of employment or service;
- b. The Whistleblower’s identity shall be protected i.e kept confidential unless otherwise required by law or for purposes of any proceedings by or against the Company; and
- c. The identity and personal information of the Whistleblower and the alleged wrongdoer may be revealed to persons involved in the investigations or any other process.



**10. REVIEW OF POLICY**

This Policy can be modified unilaterally at any time without notice. Modification may be necessary among other reasons, to maintain compliance with law or regulation and/or accommodate organizational changes within the Company. However, no such amendment or modification will be binding on the Employees unless the same is notified to the Employee in writing or electronically.

