



GOLDEN PHAROS BERHAD
(Registration No. 1986010003051 (152205-W))

BOARD CHARTER

(Revised in October 2022)

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1. INTRODUCTION

The Board of Directors (“the Board”) of Golden Pharos Berhad (“GPB” or “the Company”) is committed to upholding Corporate Governance throughout the Company and its subsidiaries (“the Group”).

This Board Charter sets out the Board of Directors strategic intent and outlines the Board’s roles, powers that the Board reserves for itself and responsibilities in protecting stakeholders’ rights.

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) and other prevail regulatory requirements and guidelines.

2. DUTIES AND RESPONSIBILITIES OF THE BOARD

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 reinforces 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 a 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;
- x. Ensure that all its directors are able to understand financial statements and form a view of the information presented; and
- xi. Ensure the integrity of the Group's financial and non-financial reporting. 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.

2.3 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 a 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.

2.4 Board Reserved Matter

In addition to the matters required by laws, the following duties are reserved to 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

2.5 Access to information and Independent Advice

All Directors have the right to be provided with full and unrestricted access to resources and services required to enable the effective performance of their duties at a cost to be borne by the Company, including but not limited to: -

- i. Obtain full and unrestricted access to information pertaining to the Company.
- ii. Obtain full and unrestricted access to the advice and service from Senior Management.
- iii. Obtain independent professional advice.

Senior Management is responsible to provide the required information to the Board in an appropriate and timely manner.

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.

3.2 Appointment

The appointment of new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the Nomination & Remuneration Committee (“NRC”). In the selection process, the NRC considers the predetermined criteria as required from a candidate, among others, skills, expertise, educational background and qualifications, experience, competency, integrity, independence, and diversity.

In identifying candidates for the appointment of Directors, the Board engages the existing Directors, Senior Management, or major shareholders. The Board may engage independent sources to identify suitably qualified candidates which may include directors’ registry, advertisements in media, or the service of independent search firms.

3.3 Fit and Proper Requirements

As prescribed in the MMLR, all Directors must fulfil the criteria of “fit and proper” person as part of their appointment to the Board as well as for Directors who are seeking for re-election at general meetings.

Any person to be appointed to the Board or re-elected as Director shall satisfy the following general criteria: -

- a) Character and integrity.
- b) Experience and competence.
- c) Time and commitment.

3.4 Diversity

The Company promotes a corporate culture that embraces gender diversity when determining the 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 taking into consideration the appropriate skills, experience and characteristics required of the Board Members, in the context of the needs of the Group



3.5 Tenure

The tenure of the independent Directors to be retained is beyond 9 years, such independent Director may continue to serve on the Board as a non independent Director. However, if the independent Director intends to remain in the position as independent Director, it will be subject to the shareholders' approval, assessment by the NRC and strong justification from the Board on an annual basis.

4. **BOARD COMMITTEES**

4.1 The Board may from time to time establish any committee of Directors ("Board Committee") it considers appropriate from amongst its members to assist in performing their duties and responsibilities. The duties and responsibilities as delegated to the Board Committees are drawn in the terms of reference of each Board Committee and made available on the Company's website.

4.2 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);
- iv. Long-Term Incentive Plan Committee (LTIP); and
- v. Executive Committee (EXCO).

The chairman of each Board Committee reports to the Board on the outcome of deliberations of each Board Committee's meetings.

5. **CHAIRMAN & CEO**

5.1 The position of Chairman and CEO are held by different individuals. The division of responsibilities between Chairman and CEO are clearly demarcated to ensure objectivity between the functions of the Board and management.

5.2 Chairman of the Board

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. Leading the Board in in the adoption and implementation of good corporate governance practices in the Company



- iii. Setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;
- iv. Leading Board meetings and discussions;
- v. Encouraging active participation and allowing dissenting views to be freely expressed;
- vi. Managing the interface between the board and management; and
- vii. Ensuring appropriate steps are taken to provide communication with stakeholders and that their views are communicated to the board as a whole.

5.3 Chief Executive Officer ("CEO")

CEO is the channel between the Board and Management for the implementation of the Company's policies, strategies, and executing decisions of the Board. In this regard, he has the responsibility for the day-to-day operation and management of the Company.

5.4 Duties of CEO

The duties of the CEO include:

- i. Providing strong leadership by effectively communicating the vision, business strategy and environment, safety and health policy to employees;
- ii. Keeping the Board informed on the important aspects of the Group's operations;
- iii. Providing directions in the implementation of short and long-term business plans;
- iv. Supervise heads of divisions and departments who are responsible for all functions contributing to the success of the Group;
- v. To assess business opportunities which are of potential benefit to the Group;
- vi. Manage any underperforming business activity including relevant proposal to rectify the situation; and
- vii. Representing the Group as the key spokesperson with all stakeholders including investors, regulators and business partners.

5.5 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 the meeting

6.3 Quorum and Chairman

The quorum for a 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.

6.7 Declaration of Interests

The Directors owe a duty to disclose any conflict of interest in the following manner: -

- i. Declare any situation which may give rise to a situation of conflict of interest (direct or indirect) in contracts, business arrangements with any company in the Group or property held – such disclosure to be made in writing to the Board.
- ii. Disclose any interest (direct or indirect) in proposals or transactions regarded as related-party transactions as prescribed by the MMLR.
- iii. Avoid any improper use of position as a Director or use of information obtained by virtue of his/her position as Director for personal gain or causing harm to the Company

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 the 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.

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 BUSINESS ETHICS, ANTI-BRIBERY & CORRUPTION AND WHISTLEBLOWING POLICY

The Board established a Group's code of business ethics ("the Code") and a set of anti-bribery and corruption policies ("Anti-Bribery and Corruption policies") which shall serve as documentation of the Directors' and employees' commitment to do business in a manner that is efficient, ethical, effective and fair and is meant as a reference for all Directors and employees at all levels.

The Board also established a whistleblowing policy and procedures to enhance corporate governance across the Group, enabling internal and external stakeholders of the Group to raise concerns in confidentiality.

All of the Policies made available on the Company's website.

10. SUSTAINABILITY

The Board is cognisant that the Company's main objective is to create stakeholders' value by taking a long-term view for growth. Therefore, Environmental, Social and Governance ("ESG") are critical elements in measuring sustainable and ethical impact to business decisions. These criteria help the Board and Senior Management to better chart the performance of the Company by considering the risks and return in a holistic manner.

The Board upholds Malaysia's sustainability agenda and align the Company's business operations to global best standards especially the United Nations Sustainable Development Goals ("SDGs"). The Company adopts framework which incorporates all ESG elements and produced on annual basis Sustainability Report.

11. COMPANY SECRETARY

The Board shall ensure that it is supported by a suitably qualified and competent Company Secretary.

The responsibilities of the Company Secretary include:

- i. Advising the Board on its roles and responsibilities;
- ii. Helping the Board and its Board Committees function effectively and in accordance with their terms of reference and best practices;
- iii. Facilitating the orientation of new Directors and assist in Directors training and development;
- iv. Advising the Directors on corporate disclosures and compliance with the Companies Act 2016, securities regulations and MMLR of Bursa Securities;
- v. Managing processes pertaining to the annual shareholders' meeting;



- vi. Managing Board & Board Committee meeting logistics, attending and recording minutes thereof and facilitating Board Communication; and
- vii. 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:

- i. Establishing an investor relations function;
- ii. Conducting engagement forums; organizing investor, analyst and media briefings; and
- iii. Use of the 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

The Board Charter 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.

15. ACCESS TO BOARD CHARTER

The Board Charter shall be made available for reference in the Company's website at <https://goldenpharos.com.my/>

