

BOARD CHARTER

1. INTRODUCTION

The Board of Directors of Land & General Berhad (“Group” or the “the Company”) is fully committed to the principles and best practices of the Malaysian Code of Corporate Governance 2012 (MCCG 2012). The Board of Directors will continuously strive to ensure good corporate governance practices are carried out throughout the Group, where applicable, and to ensure the inculcation of good ethical practices and high standards of the Code of Conduct by Directors.

The Board is accountable and responsible for the performance and affairs of the Company and is committed to provide the leadership in enhancing board effectiveness through strengthening our Board’s composition and reinforcement of independence.

2. OBJECTIVES

This Board Charter shall constitute and form an integral guide on the role for the Directors in discharging their duties and responsibilities and to provide them with a clear understanding of the relationship with the Management and Shareholders, and in particular the oversight over management, setting strategic directions, accountability and transparency together with a framework of prudent and effective controls which enables risk to be assessed and managed, thus propelling the company towards sustainability and prosperity.

3. THE BOARD

3.1 Roles and Responsibilities

3.1.1 The Board shall oversee the management the Company so that the Company operates in an effective and responsible manner. The executive Directors are responsible for the Group's operations and each Director has differentiated corporate accountability.

3.1.2 The Board shall have all powers necessary for managing and for directing and supervising the management of the business and affairs of the Company subject to the limitation of the Companies Act, 1965 or the Memorandum and Articles of Association of the Company. The Board members shall at all times exercise their powers for a proper purpose and in good faith in the best interest of the L&G Group.

3.1.3 The Board assumes the following specific duties:-

- a) establishing and reviewing the strategic direction and plans of the Group;
- b) monitoring the implementation of strategic plans by Management;
- c) overseeing and evaluating the conduct of the businesses of the Group, and performance of management;
- d) identifying and evaluating principal risks and ensure that the risks are effectively and efficiently managed with a sound risk management framework;
- e) reviewing the adequacy and effectiveness of the risk management and internal control system and actions taken to remedy weaknesses identified;
- f) establishing a succession plan;
- g) developing and implementing investors' relations programme and shareholder and stakeholder communication policy;
- h) ensuring adequacy and integrity of management information system and internal control system;
- i) formalise ethical standards of conduct through a Code of Conduct for Directors and Management, and ensure compliance;
- j) ensure the Company's strategies promote sustainability;

- k) ensure the Board is supported by at least a suitably qualified and competent Company Secretary to whom the Directors/Chairman shall have access for advice; and
- l) to review and ensure the appointment, resignation/termination of Directors, Company Secretaries, Auditors and key Company Executives are properly carried out and documented.

4. BOARD AND MANAGEMENT

Board members have complete access to the Group's Management and shall have unrestricted access to the information pertaining to the Company and or Group including the Company's Auditors and consultants. Board members shall use judgement to be sure that this contact is not distracting to the business operations of the group and that such contact, if in writing be copied to the Managing Director or Chairman.

The Board encourages Management to involve senior executives and managers in Board Meetings who can provide additional insights in board discussions because of their involvement in operational and executive areas as well as giving these management and executive staff and opportunity to understand and appreciate how Board works. The following authorities and matters are specifically reserved for the collective decision of the Board, and may be varied from time to time as determined unanimously by the Board:-

- (i) the Board has established written policy determining which issues would require a decision of the full Board and which issues can be delegated to the Board Committees or Management.
- (ii) the Board reserves full decision-making powers on the following matters:-
 - a) conflict of interests relating to substantial shareholder or a Director or persons connected to the Director, and whether a general meeting to approve a transaction or a contract is required;
 - b) material acquisitions and disposition of assets not in the ordinary course of business, which may require approval by shareholders;
 - c) investments in capital projects;
 - d) authority levels;
 - e) treasury policies;

- f) risk management policies; and
- g) key human resource issues.

The Board may seek independent professional advice in furtherance of their duties at the Company's expense. If a Director considers that such advice is necessary, he shall first discuss the issue with the Chairman and, having done so, shall be free to proceed, but subject to proper notification of the subject matter and the identified professional adviser be given to the Company Secretary for the board to decide, with the recommendation of the Chairman.

5. BOARD COMPOSITION AND BOARD BALANCE

The composition of the Board should be well balanced with qualified individuals having diverse experiences, background and perspectives, so as to reflect as much as possible the Board's ability to be effective in carrying out and discharge the responsibilities and duties legally under the various laws, regulations and rules. The Board is committed to ensure good governance practices as recommended under the MCGG 2012. To achieve the aforesaid:-

- (a) The size of the Board shall not be less than two and not more than twelve as stipulated in the Company's Articles of Association, and in compliance with the Listing Requirements of Bursa Malaysia, at any time, at least 2 Directors or 1/3 of the Board, whichever is higher, are Independent Directors. The definition of Independent Directors follows that of Paragraph 1.01 of the Bursa Malaysia Main Market Listing Requirements.
- (b) The roles of the Chairman and the Managing Director are clearly defined. The Managing Director and the Executive Director are the "Executive" Directors on the Board. However, the views of Management are represented at meeting of the Board by the presence of the Senior Managers or any designated personnel when required.
- (c) The Independent Directors provide independent judgement, views and opinions and are free from any business or other relationship with the Company and Board members who could interfere with their exercise of independent judgement in decision making or their ability to act in the best interest of the Group. An

independent director as provided under the listing Requirements must be a person who:-

- (i) is not an executive director of the Company or any related corporation of the Group;
- (ii) has not been within the last two (2) years, and is not an officer of the Company (except as a non-executive director);
- (iii) is not a major shareholder of the Company;
- (iv) is not acting as a nominee or representative of any executive director or major shareholder of the Company; or
- (v) has not been engaged as a professional advisor by the company under such circumstances as prescribed by Bursa Malaysia or is not presently a partner, director (except as an independent director) or a major shareholder, as the case may be, of a firm or corporation which provides professional services to the company under such circumstances as prescribed by Bursa Malaysia;

The independent director's tenure should not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, an independent director may continue to serve on the Board subject to the director's re-designation as a non-independent director. (Recommendation 3.2, MCCG 2012). Alternatively, in exceptional cases, a director may be retained as an independent director after a cumulative term of nine (9) years, subject to:-

- (a) assessment of the Nominating Committee; and
- (b) the Board making a recommendation and provide strong justification for shareholders' approval in a general meeting.

6. APPOINTMENTS & REMOVAL

The appointment of a new director is a matter for consideration and decision by the Board of Director upon appropriate evaluation and recommendation from the Nominating Committee.

New directors are expected to have such expertise that complements the experiences, backgrounds and perspectives of the Board as a whole and also to make a positive contribution to the Board performance of its duties. The Board shall be responsible for the appointment and termination of services of the Company Secretary or Secretaries, including the appointment of senior executive positions, the Managing Director's service contract.

In order to foster commitment, Directors should devote sufficient time to carry out their responsibilities. In ensuring this is achieved, the Board shall set out expectations on time commitment for new board members on appointment date and for Directors to notify the Chairman before accepting any new directorship, where such notification should indicate time that will be spent on the new appointment.

6.1 Re-election

All Directors are subject to retirement by rotation in accordance with the Company's Articles of Association and the Listing Requirements. Should there be a director attaining the age of 70 years, he/she shall retire and be elected at the Annual General Meeting as required by Section 129(6) of the Companies Act 1965.

The Articles also provide that one-third of all the director shall retire from office at every AGM and, if eligible, may offer themselves for re-election by shareholders. The election of each director is voted on separately at the shareholders meeting.

7. CHAIRMAN AND MANAGING DIRECTOR

The Articles of Association provides that a Chairman be appointed from amongst the Board members to head the Board and be responsible for the effectiveness of the Board. The Company aims to ensure that the decision-making process is unbiased and independent views are well considered. The role of the Chairman and the Managing Director are clearly defined, with each carrying out his duties and responsibilities within the Company.

7.1 Chairman

The Chairman of the Board is an Independent Non-Executive Director, and he is primarily responsible for the orderly conduct and function of the Board. The Chairman is appointed from amongst the members of the Board of Directors to lead the Board and is responsible for ensuring the effectiveness of the Board. The Chairman is responsible for:

- a) leading the board in achieving corporate objectives and long term success of the Group;
- b) keeps under review, the contributions made by Board members, whilst the Nominating Committee is given the task to review effectiveness in terms of performance, and come out with criteria on independence assessment;
- c) facilitating effective and productive working relationships between the Executive Directors and Non-Executive Directors;
- d) ensuring effective communication with shareholders and relevant stakeholders, in particular, at the annual general meeting which represents the principal forum for dialogue and interaction with shareholders;
- e) the Chairman, in consultation with the Managing Director and the Company Secretary, sets the agenda for the Board meetings and ensures that all relevant issues are on the agenda; and
- f) the Chairman is responsible for managing the business of the Board to ensure that:
 - (i) all Directors are properly briefed on issues arising at Board Meetings;
 - (ii) sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meeting before hand to enable thorough preparation the Board discussion; and
 - (iii) the issues discussed are forward looking and concentrates on strategy.
- g) At Board meetings, the Chairman plays a mediator's role to maintain the order of the proceedings in a constructive, productive and effective manner.
- h) The Chairman will have no casting vote if two (2) Directors form a quorum, or if there are only two (2) Directors competent to vote on the question at issue.

7.2 Managing Director

The Managing Director has overall executive responsibility for day-to-day business operations and the implementation of the Board's policies and making operational decisions. He is assisted in managing of the Group's business by Management and generally to agree and meet the corporate objectives, performance targets and long-term goals set by the Board of Directors.

The Managing Director is responsible for ensuring the provision of accurate, timely and clear information relating to business and financials to the Board of Directors.

All Board authorities conferred on Management is delegated through the Managing Director and this will be considered the Managing Director's authority and accountability as far as the Board is concerned.

8. Directors' Orientation and Continuing Education

Newly appointed Directors must attend the Mandatory Accreditation Programme (MAP) prescribed by the Listing Requirements and also are invited to attend an in-house orientation programme which is usually conducted after their effective appointment date.

The Directors shall continue to attend relevant training programmes conducted by external experts. Management shall, from time to time, provide updates regarding any latest amendments pertaining to the listing requirements and statutory provisions or new regulations and accounting standards imposed by the relevant authorities.

9. Supply of Information

Management is responsible for providing the Board with the required information in an appropriate manner and timely manner for the Directors to discharge their duties effectively. If the information provided to the Board is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.

10. Code of Conduct for Directors

The Company has adopted a Code of Conduct for Directors relating to ethical practices. Management has its own Code of Ethical Practices for staff and employees responsible in carrying out the Company's business at operational levels. The Board and Management are expected to conduct themselves with the highest ethical standards, behave ethically and professionally at all times and to protect and promote the reputation of the Company, stressing on the following key values:-

All Directors and staff of the Group are to:

- act honestly, fairly and professionally in all business dealings;
- foster a culture of integrity;
- work together to promote a safe, ethical and professional workplace;
- comply with the laws, rules and regulations under which the Company conducts its business; and
- respect the local communities wherever the Company operates.

The Board is responsible for establishing, compliance and evaluating the effectiveness of the Company's Code of Conduct for Directors.

11. Board Meetings

The Chairman shall ensure that the Board meets on a regular interval throughout the year. A structured formal agenda and Board meeting papers relating to the agenda are circulated to all Directors at least 5 working days before each Board meeting.

Dates for Board meetings are scheduled in advance before the end of the previous financial year to enable Directors to plan ahead and fit the year's meetings into their own schedules.

Board meetings are held every quarter and additional meetings are convened as and when necessary. Additional Board meetings are held when there are important corporate exercises or issues that require the urgent consideration or decision of the Board.

Amongst other, the Board papers include the following:-

- minutes of meetings of all committees of the Board;

- a current review of the business operations of the Company from the Chief Executive Officer/Managing Director;
- quarterly financial reports, reports on cash flow and borrowing positions, budgets and other financial reports;
- Directors' Securities dealings, including public share-spread;
- reports on related party transactions and recurrent related party transactions;
- annual management plans;
- sustainability reports on environmental, social and other Safety and Health aspects with a view to enhancing investors' perception and public trust;
- report on key business risks, the development of and progressive monitoring of a sound framework of internal controls and regulatory compliance; and
- any other matters relating to changes of laws, regulations and rules of government agencies.

In addition, the Board shall, at periodic intervals of not more than one year, review the following, circulated in Board meeting papers:-

- goals of the company and the Group;
- strategic issues for achieving the stated goals;
- operational plan and budget;
- chief Executive Officer's/Managing Director's performance and remuneration;
- remuneration policies recommendations by the Remuneration Committee;
- recommendations by the Nominating Committee on board composition, structure and succession; and
- the Board Charter.

If, on any matter discussed at a Board meeting, any Director holds views contrary to those of any of the other Directors, the Board minutes should clearly reflect this.

12. BOARD COMMITTEES

To assist the Board in the discharge of its duties effectively, the Board has delegated certain functions to the following Committees, each operating within clearly defined terms of reference.

- ❖ Audit Committee (**APPENDIX I**);
- ❖ Nominating Committee (**APPENDIX II**); and
- ❖ Remuneration Committee (**APPENDIX III**).

12.1 AUDIT COMMITTEE

The Audit Committee is established by the Board of Directors to assist in fulfilling the statutory and fiduciary responsibilities in the assessment and evaluation of the Group's management and financial reports of the performance of business, accounting policies, risk and internal controls. The Audit Committee serves as an independent and object party in the review of the financial information presented by Management before distribution to all shareholders and stakeholders. It ensures that the financial statements comply with applicable accounting standards and also provide direction over the internal audit function and relationship with external auditors to ensure independence from Management.

The composition, roles and responsibilities are stated in the terms of reference of the Audit Committee provided in **APPENDIX I**.

12.2 NOMINATING COMMITTEE

The Nominating Committee is established by the Board of Directors and is authorised to identify and recommend the appointment of new Directors to the Board.

The composition and roles of the Nominating Committee are stated in the terms of reference of the Nominating Committee provided in **APPENDIX II**.

12.3. REMUNERATION COMMITTEE

The Remuneration Committee is established by the Board of Directors, primarily to determine the remuneration package of Managing Director by giving due consideration to compensation levels comparable with similar functions of other listed companies, and in line with the company's performance. The Company aims to

set remuneration levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration the function, workload and responsibilities. The composition and roles of the remuneration committee are stated in the terms of reference of the Remuneration Committee provided in **APPENDIX III**.

13. THE SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

The roles and responsibilities of the Senior Independent Non-Executive Director include:

- (a) ensure all Independent Non-Executive Directors have an opportunity to provide input on the agenda, and advise the Chairman on the quality, quantity and timeliness of the information submitted by Management that is necessary or appropriate for the Independent Non-Executive Directors to perform their duties effectively.
- (b) consult the Chairman regarding Board meeting schedules to ensure the Independent Non-Executive 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 Non-Executive 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/Managing Director.

14. GENDER POLICY

The company shall set a gender diversity policy as recommended by MCCG 2012. However, the Company does not practise any gender biasness. Any new appointment to the Board shall always be based on merits, capability, experience, skill-sets and integrity. This statement shall be published in the Annual Report.

15. WHISTLE-BLOWING AND PROCEDURES

The Company has developed a Whistle-blowing Policy and Procedures. The purpose of this Whistle-blowing Procedures is to provide an avenue for all Directors, employees and members of the public to disclose any improper conduct in accordance with the procedures as provided under this policy and to provide protection for whistleblowers. At the same time it will enable the Group to intervene and investigate any concerns relating to improper conduct through internal channel.

Such misconduct would include the following:-

- Fraud;
- Corruption;
- Improprieties in matters of financial reporting;
- Unauthorised or misuse of Company's properties;
- Disclosure of confidential information without prior approval;
- Abuse of power and position;
- Endangerment of an individual's health and safety;
- Any action which intimidate or coerce a Director or Management or employee of the Group; or
- Concealment of any of the above or combination of the above.

16. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

The Board recognises the importance of timely dissemination of information to shareholders and investors to ensure that they are well informed of all major developments of the Company and the Group.

The Board ensures the timely release of its quarterly financial results to provide shareholders with an overview of the Company's performance and operations in addition to various mandatory and material announcements made during the year.

A press conference/briefing will normally be held after each General Meeting. The Managing Director or the Executive Director will give a press release/briefing stating the results and the prospect of the Group. Senior Management shall ensure that the information that yet to be released to Bursa Malaysia Securities Berhad will not be released to the press.

The Company's website provides easy access to corporate information and the on-going business activities of the Group and is continuously updated.

Investors / Shareholders may direct their concerns and queries to the Senior Independent Director and/or other channels provided by the Company.

The Board has established Company Disclosure Policies and Procedures (CDPP) to ensure compliance with disclosure requirements of the Main Market Listing Requirements of Bursa Malaysia. The CDPP shall be reviewed by the Board, where necessary.

17. GENERAL MEETINGS

17.1 Annual General Meeting ("AGM")

The AGM represents the principal forum for dialogue and interaction with shareholders. At every AGM, the Board encourages and welcomes participation from shareholders to ask questions regarding the resolutions being proposed at the meeting and also other matters pertaining to the business activities of the Group.

The Directors, Senior Management and the external auditors are required to attend AGMs to respond to questions raised by shareholders.

The Managing Director and the Executive Director shall give a slide presentation to the shareholders on the Group's operating and financial performance for the financial year under review which included up-to-date operating activities of the Group at each AGM.

The Company will provide a written answer to any significant question that cannot be readily answered at the meeting.

17.2 Extraordinary General Meeting (“EGM”)

The Directors will consider requisitions by shareholders to convene an EGM or any other urgent matters requiring immediate attention of the Company.

18. RELATIONSHIP WITH OTHER STAKEHOLDERS

In the course of pursuing the vision and mission of the Group, the Board acknowledges that practices which support corporate responsibility are keys to the sustainability of the Group. The Board believes no company can prevail by maximising the shareholder’s value alone, and the needs and interests of other stakeholders must be taken into consideration. In carrying out the objectives of sustainability, the Board continuously review and update policies relating to:-

18.1 Employees

The Company recognises that the employees are invaluable assets of the Group and play a vital role in achieving the vision and mission of the Group.

The Group adopts comprehensive and documented policies and procedures with respect to the following:

- a) occupational safety and health with the objective of providing a safe and healthy working environment for all employees; and
- b) industrial relations with the objective of managing employees’ welfare and well-being at the workplace.

18.2 Environment

The Board recognises the need to safeguard and minimise the impact to the environment in the course of achieving the Group’s corporate objectives.

The Group integrates the environmental dimension in project planning, development and implementation.

The Group supports initiatives on environmental issues and abide by all environmental impact laws and regulations in the course of its projects.

18.3 Social Responsibility

The Board acknowledges that the Company should play an important role towards the welfare of the community in which it operates.

The Group adopts responsible marketing and advertising of its products and services.

The Group supports charitable causes and initiatives on community development projects.

19. APPLICATION OF THE CHARTER

This Board Charter is:

- a) to be kept under review and updated as practices on Corporate Governance practices continuous to be developed and newer guidelines on Corporate Governance are issued by the relevant regulatory authorities;
- b) to be applied in practices by having a regard with the spirit and general principles of good governance rather than to the letter alone; and
- c) to be summarised in the Annual Report as part of a narrative statement by the Board of Directors on Corporate Governance Statement.

The Board endeavours to comply at all times with the principles and practices set out in this Charter, together with any subsequent update to the principles and practices set out in this Charter will be made available on the Company's website.

TERMS OF REFERENCE OF AUDIT COMMITTEE**1. Composition**

The Audit Committee comprises at least three (3) members, a majority of whom must be Independent Directors.

No Alternate Director shall be appointed as a member of the Audit Committee.

The Audit Committee will elect an Independent Director from amongst them as its Chairman.

The term of office and the performance of the Audit Committee and each of its members shall be reviewed by the Nominating Committee annually to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

2. Roles and Responsibilities

To review the following and report the same to the Board:

- a) with the external auditors, the audit plan;
- b) with the external auditors, the evaluation of system of internal controls;
- c) with the external auditors, their audit reports and ensuring that their recommendations regarding major weaknesses of the management are implemented;
- d) the assistance given by the employees to the external auditors;
- e) the audit fee;
- f) the quarterly results and the annual financial statements, focusing particularly on,
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed; and
 - (iii) compliance with relevant accounting standards and other legal requirements.
- g) any related party transaction and conflict of interests situation that may arise within L&G or its group including any transaction, procedure or course of conduct that raises questions of management integrity;
- h) any letter of resignation from the external auditors;
- i) whether there is reason (supported by grounds) to believe that the listed issuer's external auditor is not suitable for re-appointment;
- j) the nomination of external auditors;
- k) the appointment or resignation of internal auditors (head of department or chief internal auditor, if it is an in-house appointment,) or outsourced internal audit service provider;
 - (i) 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
 - (ii) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.

- l) to enhance the creditability and objectivity of financial reports with other interested parties including shareholders, regulators and creditors;
- m) to maintain, through regularly scheduled meetings, a forum for communication between the Board and Senior Management, external auditors as well as internal auditors;
- n) to avail to the external and internal auditors a private and confidential audience at any time they desire and request it through the Audit Committee Chairman, with or without the prior knowledge of Management;
- o) to act upon the Board's request to investigate and report on any issues or concerns in regards to the Management of the Group; and
- p) to undertake such other functions as may be agreed by the Audit Committee and the Board.

3. Meetings & Attendance

Meetings shall be held at least four (4) times a year and additional meetings are convened as and when necessary. The quorum for each meeting shall be two members present and a majority must be Independent Directors. The Managing Director, the Executive Director, the Chief Financial Officer, the Group Financial Controller, and the Internal Auditors shall normally attend the meetings. Other Board members and employees may attend the meetings upon the invitation of the Audit Committee. At least twice a year, the Audit Committee shall meet with external auditors without the presence of Management and Executive Directors. The Secretary of the Company shall be Secretary to the Audit Committee. Minutes of each meeting shall be kept and distributed to each member of the Audit Committee and of the Board.

The Chairman of the Audit Committee shall report on each meeting to the Board.

TERMS OF REFERENCE OF THE NOMINATING COMMITTEE**1. Composition**

The Nominating Committee shall consist of not less than three (3) members which comprise exclusively Non-Executive Directors, the majority of whom shall be Independent Directors.

In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months. The Board of Directors must review the term of office and performance of the Committee and each of its members at least once every 3 years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

Chairman shall be elected by the Committee from among their members. The Chair of the Committee should be the Senior Independent Non-Executive Director.

2. Roles and Responsibilities

The role of the Nominating Committee shall be as follows:

- a) To assess and recommend to the Board of Directors, the candidates for all Directorships to be filled by the shareholders or the Board of Directors. In making its recommendations, the Committee should consider the candidates:
 - (i) skills, knowledge, expertise and experience;
 - (ii) professionalism;
 - (iii) integrity;
 - (iv) time commitment; and
 - (v) in the case of candidates for the position of Independent Non-Executive Directors, the Committee should also evaluate the candidate's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.
- b) Consider, in making its recommendations, candidates for directorships proposed by the Chairman, Chief Executive / Managing Director and, within the bounds of practicability, by any other senior executive or any director or substantial major shareholder;
- c) recommend to the Board, Director(s) to fill the seats on Board Committees;
- d) assess annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each existing individual Director and thereafter, recommend its findings to the board;
- e) propose criteria and review training programs for the Board of Directors and ensure that all newly appointed Directors undergo appropriate induction programs and receive continuous training suitable for directorship;
- f) review annually the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the board and thereafter, recommend its findings to the Board;

- (g) develop the criteria for recruitment process of and annual assessment of the Directors, in particular the Independent Non-Executive Directors;
- (h) apply the process as determined by the Board of Directors, for assessing the effectiveness of the Board as a whole, the Committees of the Board, and for assessing the contribution of each individual Director, including Independent Non-Executive Directors, as well as the President/Chief Executive Officer/Managing Director. All assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented;
- (i) review Board's succession plans; and
- (j) facilitate achievement of Board gender diversity policies and targets.

2. Meetings

The Nominating Committee shall meet regularly to discuss issues and should record its conclusion as minutes of the Meeting. The number of Committee meetings held in a year and details of attendance of each committee member disclosed in the Annual Report of the Company. The quorum shall be two (2) members with a majority of Independent Non-Executive Directors.

The Chairman should be a Senior Independent Director who shall be appointed by the Board of Directors. The Committee shall have the services of the Company Secretary who should ensure that all appointments are properly documented and made so as to fulfil the requirements of statutory and the Main Market Listing Requirements of Bursa Malaysia and/or other regulatory authorities.

3. Access to Professional Advice

In carrying out the role and responsibilities effectively, whether in full or in their individual capacity, the committee is entitled to obtain professional advice at the company's expense, if necessary and in accordance with the procedure set up by the Board of Directors.

TERMS OF REFERENCE OF REMUNERATION COMMITTEE**1. Composition**

The Remuneration Committee comprises at least three (3) members, whom must be Non-Executive Directors. The Committee shall be appointed by the Board of Directors and for quorum of meeting, not less than 2 members of which comprising wholly or mainly Non-Executive Directors shall suffice.

The Remuneration Committee will elect an Independent Director from amongst them as its Chairman.

In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months. The Board of Directors must review the term of office and performance of the Committee and each of its members at least once every 3 years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

2. Functions

The Committee shall have a good knowledge of the Group and its Managing Director and/or Executive Directors, and have a full understanding of shareholders concerns in order to:

- (a) establish a formal and transparent Board remuneration policy and procedures of determining suitable, realistic and comparable remuneration policies and procedures;
- (b) provide such information as necessary with the recommendation of MCGG 2012 and Appendix 9C , Part A of the Listing Requirements of Bursa Malaysia.

The determination of the remuneration packages of Non-Executive Directors, including Non-Executive Chairman, should be determined by the Board of Directors as a whole and the individuals concerned should abstain from discussing their own remuneration.

3. Meetings

The Committee should meet regularly, at least once a year, with due notice of issues to be discussed and should record its conclusion in discharging its duties and responsibilities. The Committee should disclose the number of committee meetings held in a year and the details of attendance of each individual member in respect of meetings held. The quorum shall be 2 members with majority of Non-Executive Directors. The Company Secretary shall be the Secretary for the Committee.