

Danajamin

BOARD CHARTER

DANAJAMIN NASIONAL BERHAD

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1 INTRODUCTION

1.1 Overview

The Board of Directors ("**the Board**") of Danajamin Nasional Berhad ("**the Company**") recognises the importance of corporate governance to the success of the Company and is committed to ensure that the principles of good governance are applied in the business operations of the Company and dealings with relevant stakeholders.

1.2 Purpose

The purpose of this Board Charter is to set out and where relevant, clarify the procedures, roles and responsibilities of the Board. This Board Charter serves not only as a reminder of the Board's roles and responsibilities but also as a general statement of intent and expectation as to the process that is to be adopted by the Board in discharging its duties and responsibilities.

This Board Charter is not intended to be all inclusive. Considerations must be given for the Company's need to comply with other regulations, regulatory approvals and conditions imposed on the Company from time to time.

1.3 Authority

This Board Charter has been approved and adopted by the Board and is subject to review by the Board from time to time in light of any changes or development that may have an impact on the Company, to ensure the Company remains at the forefront of best practices in corporate governance.

This Board Charter has been prepared taking into account prevailing laws and regulations including the provisions of the Financial Services Act 2013 and the policy document on Corporate Governance (BNM/RH/PD 029-9) ("**CG Guidelines**") issued by Bank Negara Malaysia ("**BNM**") on 3 August 2016.

1.4 Definitions and Interpretation

1.4.1 In this Board Charter, unless the context requires otherwise, the following definitions have the meaning stated below:-

"**Affiliates**", in relation to an entity, refers to any corporation that controls, is controlled by, or is under common control with, that entity;

"**BRNC**" refers to the Board Remuneration and Nomination Committee established by the Board;

"**Chief Executive Officer**" or "**CEO**" refers to the chief executive officer of the Company;

"**Independent Director**" refers to a director who is described as being independent in accordance with Paragraph 2.1.2 of this Board Charter; and

"**Management**" refers to the CEO, Head of Function and Divisional Heads and/or members of the management committee of the Company, as the case may be.

1.4.2 In this Board Charter, unless the context otherwise requires, words denoting one gender include the other gender.

2. BOARD OF DIRECTORS

2.1 Board Composition

2.1.1 Number of Directors

The size of the Board shall be determined in accordance with the Company's Constitution having regard, inter alia, to the following considerations:-

- (a) the evolving circumstances of the Company in terms of its size and the nature of the business;
- (b) the technical know-how or experience in the relevant industry sector and the Board's diversity of professional experience, academic qualifications, gender and age; and
- (c) quorum requirement for Board meetings.

2.1.2 Independent Directors

- (a) The Board shall comprise a majority of Independent Directors at all times.
- (b) The Board shall assess whether a director is able to exercise independent judgment and in doing so, shall be guided by the standards stated in the CG Guidelines and the criteria stated in this Paragraph 2.1.2.
- (c) An Independent Director shall at all times observe the following criteria:-
 - (i) he is a person who is independent of the management team of the Company in the last two years;
 - (ii) he is free from any direct significant business or other contractual relationship with the Company or its Affiliates within the last two years;

Subject to BRNC's evaluation on a case to case basis, a business transaction shall be considered "significant" if:-

- 1. in the case of a transaction that constitutes as "Business As Usual", such transaction having entered into in the last two years has a monetary value of RM250,000 and above; and***
 - 2. in the case of a financial guarantee insurance (FGI) transaction, the incoming director holds at least 5% or more shares in any of the obligors or any member group of the obligors at any point time within the last two years.***
- (iii) he is free from any circumstances, associations or any other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company;
 - (iv) the independent and objective judgment must not be compromised by, amongst others, familiarity or close relationship with other members of the Board;
 - (v) the tenure of his appointment as an Independent Director shall not exceed

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a cumulative term of nine years unless such term is extended upon the assessment of the BRNC (and subject to the approval of the Board) and the prior written approval of BNM due to exceptional circumstances or as part of transitional arrangements towards full implementation of the succession plans of the Company;

- (vi) he must not be a substantial shareholder (as defined in the Companies Act 2016) of the Company or any of its Affiliates;
 - (vii) he is not a family member of any executive director, officer or substantial shareholder of the Company;
 - (viii) he is not acting as a nominee or a representative of any executive director or a substantial shareholder of the Company.
- (d) An Independent Director must immediately disclose to the Board of any change in their circumstances that may affect their status as an Independent Director. In this case, the Board shall review his designation as an Independent Director and notify BNM in writing of its decision on whether to affirm or change the designation of the said director.
- (e) All resignations and removal of Independent Directors from the Board can only take effect upon the same having been approved in writing by BNM.

2.1.3 Executive Director

The Board shall not have more than one executive director unless otherwise permitted by BNM.

2.1.4 Non-Executive Directors

The role of non-executive directors is to act as a bridge between management team, shareholders and other stakeholders. They provide the relevant checks and balances, focusing on interests of relevant stakeholders and to ensure that the appropriate standards of corporate governance are applied.

2.1.5 Chairman

The position of the Chairman shall be held by an Independent non-executive member of the Board, and must not have served as the CEO of the Company in the past five years.

2.1.6 Separation of position of Chairman and CEO

To ensure balance of authority, increased accountability and a greater capacity for independent decision-making, the roles of Chairman and the CEO are distinct and separate with a clear division of responsibilities between the Chairman and the CEO, so that no one individual dominates the decision-making process. Their respective roles are elaborated in Paragraph 3 of this Board Charter.

2.2 Appointment Process and Qualification Criteria

2.2.1 Appointment Process

- (a) The Board shall consider and decide on appointments, re-appointments and removal of directors and the CEO upon appropriate recommendation from the BRNC. The director so appointed shall hold office until the Company's next annual general meeting and shall be eligible for re-election.
- (b) The BRNC shall be responsible for selecting and assessing the candidate for directorship or the position of the CEO and to ensure that such candidate is a 'fit and proper' person in accordance with the Fit and Proper Criteria Guidelines issued by BNM. The BRNC shall consider the following factors in carrying out its selection and assessment process:-
 - (i) skills, knowledge and experience;
 - (ii) where applicable, the candidate's past contribution and performance on the Board;
 - (iii) character, professionalism and integrity;
 - (iv) number of directorship and other external obligations or commitments which may impair the candidate's ability to discharge his duties effectively;
 - (v) in the case of appointment for the position of an Independent Director, the candidate's ability to discharge such responsibilities expected of an Independent Director;
 - (vi) the qualification criteria for the appointment of a director stated in the Companies Act 2016 and the Financial Services Act 2013;
 - (vii) the age limit, maximum tenor, the remuneration level and succession planning.
- (c) A person who is an active politician shall not be appointed as a director of the Company.
- (d) Where a firm has been appointed as the external auditor of the Company, any of its officers directly involved in the engagement and any partner of the firm must not serve or be appointed as a director until at least two years after:-
 - (i) that person ceases to be an officer or partner of that firm; or
 - (ii) the firm last served as an auditor of the Company.
- (e) The Board shall ensure that the appointment procedure in respect of each director and the CEO as prescribed by BNM is adhered to.

2.2.2 Office of Directors

The re-election of directors takes place each year at the Company's annual general meeting where one third (1/3) of the directors, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office and the retiring directors are eligible for re-election. A retiring director shall retain office until the close of the meeting at which he/she retires.

2.2.3 Shareholder Nomination

A shareholder may nominate in writing, a person for appointment as director for the consideration of the BRNC.

2.2.4 Conditions of Appointment

Any appointment or re-appointment of a director or a CEO shall be subject to the approval of Bank Negara Malaysia in writing.

3 ROLES AND RESPONSIBILITIES OF THE BOARD

3.1 The Board

3.1.1 The Board is the ultimate decision-making body of the Company, with the exception of matters requiring shareholders' approval. It sets the strategic direction and vision of the Company. The Board takes full responsibility in leading, governing, guiding and monitoring the entire performance of the Company and enforces standards of integrity, accountability and transparency, all with a view to enabling Management to execute its responsibilities effectively.

3.1.2 The Board has overall responsibility for putting in place a framework of good corporate governance within the Company, including the processes for financial reporting, risk management and compliance. Board members bring their independent judgment, diverse knowledge and experience in deliberations on issues pertaining to strategy, performance, resources and business conduct.

3.1.3 Following are brief descriptions of the Board's main roles and responsibilities:-

- (a) approving and providing direction relating to the strategic business plan, IT and cybersecurity strategic plans covering a period of no less than three years and other initiatives for the Company and monitoring the implementation of the same by Management;
- (b) promoting sustainability through appropriate environmental, social and governance considerations in the Company's business strategies;
- (c) overseeing the identification and appraisal of key business risks and approve the overall risk appetite of the Company (including technology risk appetite) and ensuring that there are adequate internal controls and risk management framework in place to effectively monitor, mitigate and manage these risks;
- (d) overseeing the performance of the Management in managing the business and in implementing the approved strategies, plans and budget within the approved risk appetites;

- (e) overseeing and approving the recovery and resolution as well as business continuity plans for the Company to restore its financial strength, and maintain or preserve critical operations and critical services when the Company comes under stress;
- (f) establishing an internal audit function which reports directly to the Board Audit Committee and having an oversight of the Board Audit Committee's evaluation of auditor's performance and independence;
- (g) ensuring that the operations of the Company are conducted prudently and within the framework of relevant laws and policies;
- (h) monitoring and assessing development which may affect the Company's strategic plans;
- (i) overseeing the implementation of the Company's governance framework, internal control framework as well as the overall anti-bribery & anti-corruption framework, which includes reviewing periodically the adequacy and the integrity of the Company's internal control systems, corruption risk management systems and management information systems; to ensure these remain appropriate, adequate and comprehensive in light of material changes to the size, nature and complexity of the Company's operations;
- (j) reviewing the IT and cybersecurity strategic plans on a periodic basis, at least once every three years and overseeing the implementation of the Company's technology risk management framework and cyber resilience framework in line with the Company's approved technology risk appetite; to ensure these remain appropriate, adequate and comprehensive in light of material changes to the size, nature and complexity of the Company's operations;
- (k) ensuring timely and effective communication with its shareholders and other stakeholders including the regulator on matters affecting or that may affect the safety and soundness of the Company;
- (l) ensuring that all candidates appointed to the Board and Management positions are of sufficient caliber to effectively lead with integrity the operations of the Company;
- (m) ensuring that a plan is in place for the orderly succession of the Board and Management and conducting a regular review of the same, including appointing, training, setting a compensation package and where appropriate, replacing members of the Board, Board committees and Management; and
- (n) setting corporate values and culture together with the Management which reinforces ethical, prudent and professional behavior as well as business integrity.

3.2 Role of Chairman

- 3.2.1 The Board is led by a Chairman who is responsible for the leadership and management of the Board and overall functioning of the Board.
- 3.2.2 The Chairman assumes the formal role of a leader and chairs all Board meetings, leads discussions among directors and provides leadership to the Board in its oversight of Management.
- 3.2.3 The Chairman facilitates the flow of information between Management and the Board, and in consultation with Management, sets the agenda for each Board meeting. Other key roles of a Chairman are, among others, the following:-
- (a) to ensure the smooth functioning of the Board, the governance structure and inculcating positive and strong culture of integrity, transparency and professionalism in the Board;
 - (b) to ensure appropriate procedures are in place to govern the Board's operation and conduct;
 - (c) to ensure all relevant issues are on agenda for Board meeting;
 - (d) ensure that decisions are taken on a sound and well-informed basis including ensuring that strategic and critical issues are considered by the Board;
 - (e) to ensure the Board receives relevant information on timely basis;
 - (f) to ensure avenues are provided for all directors to participate openly in discussions and ensure that dissenting views can be freely expressed and discussed;
 - (g) to ensure that the Board comes to a clear decisions and resolutions are noted; and
 - (h) to lead efforts to address developmental needs of the Board.

3.3 Responsibilities of the CEO

- 3.3.1 The CEO assumes the primary responsibility over the day-to-day management of the Company and the implementation of the Company's strategy.
- 3.3.2 The CEO leads the Management in carrying out the corporate strategy and vision of the Company.
- 3.3.3 The key roles of CEO in leading the Management include, among others:-
- (a) ensuring that the Company's business and risk strategies, remuneration and other policies are effectively implemented in accordance with the direction given by the Board;
 - (b) ensuring that there is a management structure that promotes accountability and transparency throughout the Company's operations;
 - (c) ensuring that the effectiveness and independence of control functions are preserved;

- (d) promoting, together with the Board, a sound corporate culture within the Company which reinforces ethical, prudent and professional behaviour as well as business integrity;
 - (e) ensuring that the Board is regularly updated with material information to allow the Board to carry out its oversight responsibilities particularly on matters relating to:-
 - (i) the performance, financial condition and operating environment of the Company;
 - (ii) failures relating to internal control systems, corruption risk management systems and management information systems, including breaches of risk limits and the Anti-Bribery and Anti-Corruption Policy; and
 - (iii) legal and regulatory obligations, including supervisory concerns and actions taken to address them; and
 - (f) ensuring that actual or suspected breaches of regulatory requirements or internal policies are addressed in a timely and appropriate manner.
- 3.3.4 Unless otherwise approved by BNM, the CEO must devote the whole of his professional time to the service of the Company.

3.4 Specific Reserved Matters

- 3.4.1 The Board has adopted a schedule of matters specifically reserved for its approval to ensure direction and control of the Company are in the hands of the Board.
- 3.4.2 The following summarises the list of matters reserved for the Board's deliberation and decision:-
- (a) strategic/business plans and annual budget;
 - (b) new investments, divestments, mergers and acquisitions, corporate restructuring, including the establishment of subsidiaries, joint ventures or strategic alliances both locally and abroad where the sum or cost is considered significant or material¹;
 - (c) acquisition and disposal of assets of the Company where the acquisition cost, disposal proceeds or profit or loss on disposal would be likely to be regarded as significant or material¹ to the Board;
 - (d) financial statements and releases (whether for announcement or publication);
 - (e) appointment and recommendation for removal of directors;
 - (f) appointment of CEO;

¹ An acquisition or disposal shall be considered "substantial" or "material" if:- (a) the value exceeds 25% of the total assets of the Company; (b) the value exceeds 25% of the issued share capital of the Company; or (c) the net profits attributed it amounts to more than 25% of the total net profit of the Company; whichever is the highest.

Approved and adopted by the Board of Directors at its meeting on 29 June 2020.

- (g) appointment and removal of Company Secretary;
- (h) appointment and removal of auditors of the Company;
- (i) directors' fees and remuneration packages for the CEO;
- (j) material¹ related party transactions;
- (k) any form of borrowing or fund raising exercise;
- (l) policies of the Company;
- (m) adequacy and effectiveness of risk management and internal controls;
- (n) establishment of Board committees and their terms of reference;
- (o) presentation of reports and accounts to shareholders at the annual general meeting;
- (p) granting of power of attorney by the Company; and
- (q) any matters beyond the delegation of authority of the CEO.

3.5 Access to Independent Advice

3.5.1 The Board shall have the authority to:-

- (a) investigate any activity or matter within its Board Charter and in this regard the Board shall have unrestricted access to anyone in the Company in order to obtain information, including access to the Company's auditors;
- (b) acquire the resources which are required to perform its duties;
- (c) obtain relevant internal and external independent professional advice to assist the Board in discharging its duties.

4. BOARD MEETINGS

4.1 Board Meetings

- 4.1.1 Directors must devote sufficient time to prepare for and attend board meetings, and maintain a sound understanding of the business of the Company, key business risks (including but not limited to bribery and corruption risks, technology and cyber risks and reputational risks associated with these risks) as well as relevant market and regulatory developments.

4.2 Frequency and Attendance

- 4.2.1 The Board shall meet at least six (6) times each financial year or more frequently as circumstances dictate, at least once every two (2) months.
- 4.2.2 In addition to the regular scheduled meetings, the Chairman shall call a meeting of the Board if so requested by any member of the Board. If urgent matters requiring Board's decision arise in between meetings, such matters could be sanctioned by the Board by way of circular resolution which shall be supported by relevant papers setting out details of the matters concerned. Such circular resolution in writing duly executed by ALL members of the Board shall be effective for all purposes as a resolution passed at a Board meeting duly convened, held and constituted.
- 4.2.3 A director must attend at least 75% of the Board meetings held in each financial year and must not appoint another person to attend or participate in the Board meetings on his behalf.
- 4.2.4 If a member of the Board is unable to be physically present, such member may choose to participate via tele-presence or tele-conference. However, this must remain the exception rather than the norm, and shall be subject to appropriate safeguards as the Board deems fit to preserve confidentiality of deliberations.
- 4.2.5 Members of senior management may be invited to attend selected Board meetings, but not necessarily for the full duration of the meeting.
- 4.2.6 The Board may seek independent advice from third party experts on any matter deliberated by the Board as and when required at the expense of the Company.

4.3 Quorum

- 4.3.1 In order to form a quorum for the Board meeting, at least 50% of the members of the Board must be present at the meeting.

4.4 Minutes

- 4.4.1 The discussions and conclusions of the Board meetings shall be minuted, in a clear, accurate, complete and timely manner. The minutes shall record the decisions of the Board, including key deliberations, rationale for each decision made, and any significant concerns or dissenting views. The minutes must also indicate whether any director abstained from voting or excused himself from deliberating on a particular matter.

5. COMPANY SECRETARY

- 5.1 The appointment and removal of the Company Secretary shall be subject to the approval of the Board.
- 5.2 The Company Secretary must not have competing time commitments that may impair his ability to discharge his duties effectively. Unless otherwise approved by BNM, the Company Secretary must devote the whole of his professional time to the affairs of the Company.

6. BOARD COMMITTEES

6.1 Roles of Board Committees

6.1.1 Apart from the aforesaid principal responsibilities of the Board as set out in Paragraph 3.1, the Board has established the following Board committees and delegated specific responsibilities to these committees:-

- (a) the Board Underwriting Committee;
- (b) the Board Risk Committee (“**BRC**”);
- (c) the Board Audit Committee (“**BAC**”);
- (d) the Board Remuneration and Nomination Committee (“**BRNC**”); and
- (e) the Board Investment Committee.

6.1.2 All decisions and/or recommendations including minutes of meetings made by each of the Board committees must be brought to the attention of the Board, who is ultimately collectively responsible for the Company's success, business, strategy, risk management, operational and financial performance.

6.1.3 The establishment of the Board committees does not diminish the Board's ultimate responsibility over the functions and duties of these Board committees.

6.1.4 Composition of Board Committees

- (a) In the case of BRC, BAC and BRNC, each of these committees must:-
 - (i) have at least three (3) directors;
 - (ii) have a majority of Independent Directors;
 - (iii) be chaired by an Independent Director;
 - (iv) not be chaired by the Chairman of the Board;
 - (v) comprise directors who have skills, knowledge and experience relevant to the responsibilities of the Board committee; and
 - (vi) not have any executive director in its membership.
- (b) In the case of the Board Underwriting Committee and the Board Investment Committee, the composition of each of these committees shall be determined by the Board taking into account regulatory requirements and directions set by BNM, from time to time.

6.1.5 Each of the Board committees will operate within clearly defined roles and responsibilities as set out in their respective terms of reference.

6.2 Board Underwriting Committee

6.2.1 The key responsibility of the Board Underwriting Committee is to review and endorse or to veto new underwriting proposals and variation requests approved by the Management Underwriting Committee and underwriting proposals and variation requests that are beyond the delegated limit of authority of the Management Underwriting Committee.

6.3 Board Risk Committee

6.3.1 The key responsibility of the Board Risk Committee is to ensure that the risk management functions and practices of the Company are conducted and discharged effectively to ensure management and mitigation of key risks. The Board Risk Committee assists the Board in, among others, the following:-

- (a) formulating and reviewing the risk strategy (including IT & cybersecurity strategies) of the Company, risk management policies of the Company, setting risk appetite (including technology risk appetite), reviewing risk profile and ensuring a "risk-awareness" culture is embedded within the Company taking into account all applicable policy documents issued by BNM including but not limited to BNM's policy documents on Risk Governance and Risk Management in Technology; and
- (b) approving and reviewing the overall design and implementation of anti-bribery & anti-corruption framework in the Company, reviewing and assessing the adequacy of the corruption risk management systems and advising the Board on issues relating to bribery and corruption risks.

6.4 Board Audit Committee

6.4.1 The key responsibilities of the Board Audit Committee is to support the Board to ensure that there is a reliable and transparent financial reporting process within the Company and to provide oversight of the Company's internal control systems. This will involve, amongst others, conducting a review of periodic financial results, full year financial statements and audit reports and making observations pertaining to risk management including countering bribery and corruption risks and the adequacy of internal controls, as well as compliance with internal policies on related party transactions and conflict of interests.

6.5 Board Remuneration and Nomination Committee

6.5.1 The key responsibilities of the BRNC are to provide a formal and transparent procedure for:-

- (a) the appointment of directors, members to the Board committee, the CEO and key senior management officers for recommendation to the Board and ensuring that the Board has the appropriate balance and size, and the required mix of skills, experience and other core competencies. The BRNC is also authorized to conduct annual board evaluation process to assess, inter alia, the performance and effectiveness of the Board as a whole; and
- (b) the development of a remuneration policy for directors, the CEO and key senior management officers for recommendation to the Board and ensuring that the Company's compensation package is competitive to enable the Company to attract and retain high calibre executives needed to run and manage the Company successfully.

6.6 Board Investment Committee

6.6.1 The key responsibility of the Board Investment Committee is to ensure the Company invests and manages its capital resources in a professional and prudent manner, achieves the targeted returns while assuming an appropriate level of risk, maintain a sufficient level of liquidity for claim events and maintain conformity with all regulatory requirements.

7 BOARD EFFICIENCY

7.1 Board Assessment

7.1.1 The BRNC is empowered by the Board to conduct the following evaluation:-

- (a) an annual assessment of its own performance and to the extent to which the Board has met the requirements of this Board Charter, including the assessment on the effectiveness of the Board as a whole, the Board committees and the performance of individual directors; and
- (b) an assessment on whether each director is fit for directorship against the minimum requirements under the CG Guidelines and the Fit and Proper Criteria Guidelines. Such assessment is to be done at least annually and as and when the Board becomes aware of information that may materially compromise the relevant director's fitness and propriety or any circumstance that suggests that the relevant director is ineffective, errant or otherwise unsuited to carry out his responsibilities.

7.1.2 In the case of the assessment referred to in Paragraph 7.1.1 (a), such assessment shall be conducted during the fourth quarter of the year and shall involve each director having to complete questionnaires in respect of (i) the performance of individual directors (peer assessment), (ii) the effectiveness of the Board as a whole, and (iii) the effectiveness of the Board committees that the director is a member.

7.1.3 In the case of the assessment referred to in Paragraph 7.1.1 (b), such assessment shall be made through a self-declaration process undertaken by each director.

7.1.4 The Board shall appoint an independent external consultant or expert at least every five years, to conduct the evaluation referred above to assist in and lend objectivity to the annual Board assessments. The appointed consultant or expert is required to report its findings to the Chairman of the Board.

7.2 Directors Training & Development

Directors must maintain a sound understanding of the business of the Company, key business risks (including but not limited to bribery and corruption risks, technology and cyber risks and reputational risks associated with these risks) as well as relevant market and regulatory developments.

7.2.1 Induction Programme

Directors are required to attend an induction programme which will be tailored to meet their individual needs. This would include the following:-

- (a) meetings with Management to enable them to build up a detailed understanding of the Company's business and strategy, and the key risks and issues with which they are faced; and
- (b) briefings by the relevant Heads of Divisions on the functions and areas of responsibility of their respective divisions. This serves to familiarise the directors with the operations, the organisational structure of the Company and compliance requirement to applicable laws (including anti-corruption laws) as well as to provide them with a platform in establishing effective channel of communication and interaction with management.

7.2.2 Evaluation of Training Needs

- (a) The Board shall evaluate the training needs of each director on a continuous basis and determine the types of training that may be required to further understand the issues and key risks faced by the Company and for effective and efficient discharge of the directors' duties and responsibilities.
- (b) There should be a budget tabled by management for directors' on-going development.

8. BOARD PROFESSIONALISM

8.1 Director's External Commitment

- (a) Directors shall devote sufficient time to carry out their responsibilities. Directors must not have competing time commitments that impair his ability to discharge his duties effectively.
- (b) Directors shall not hold more than five (5) directorships in public listed companies and more than ten (10) directorships in non-public listed companies. For purposes of this sub-paragraph (b):-
 - (i) companies within the same group of companies are considered as one (1); and
 - (ii) family owned companies are excluded.
- (c) Notwithstanding the above, directors are expected to self-assess their ability to commit to any external professional commitments based on the complexity of their current responsibilities in the Company.

8.2 Conflict of Interest

- 8.2.1 The Companies Act 2016 requires a director to declare his interest if he is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company.

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- 8.2.2 An interested director shall make full disclosure in writing to the Board and the Company Secretary as soon as practicable after becoming aware of the nature and extent of his interest, whether directly or indirectly:
- (a) any personal / family interest in a matter which relates to the affairs of the Company;
 - (b) any interest in any material transaction or arrangement or proposed material transaction or arrangement with the Company;
 - (b) any other interest which is appropriate to be disclosed in order to avoid any conflict of interest or the perception of a conflict of interest.
- 8.2.3 If a material transaction or arrangement is being deliberated at a meeting of the Board:-
- (a) the written disclosure referred to in Paragraph 8.2.2 must be given before the commencement of that deliberation; and
 - (b) the interested director shall excused himself from the meeting during such deliberations.
- 8.2.4 For purposes of this Paragraph 8.2, an existing or proposed transaction or arrangement will be considered “material” if it is one which a director is required to declare under section 221 of the Companies Act 2016, unless the interested director or any person linked to him cannot reasonably be expected to derive a benefit or suffer a detriment from the transaction or arrangement in a way that will place the director in a position of conflict.

9. ETHICAL AND INTEGRITY STANDARDS

- 9.1 The Company’s Code of Conduct (which sets out the broad standards of conduct applicable in the Company) and the Anti-Bribery and Anti-Corruption Policy (which sets out the Company’s commitment to zero tolerance of bribery and corruption) apply to all Board members and employees of the Company.
- 9.2 Board members are expected to observe high standards of integrity and ethical behaviour and shall not engage in any transaction that can be construed as having contravened the anti-corruption laws of Malaysia.