

# **Ge-Shen Corporation Berhad**

## **Board Charter**

Updated as at 16 February 2022

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## 1. Objectives

The Board of Directors ("Board") is responsible for objective of this Board Charter is to ensure that all Directors are aware of their duties and responsibilities as Board members encompass the various legislations and regulations affecting their conduct and that the principles and practices of good Corporate Governance are applied in all their dealings in respect, and on behalf of, the Company.

## 2. Principal Responsibility of the Board

2.1 The Board shall collectively and individually exercise its fiduciary duties and use reasonable care, skill and diligence when exercising its duties. Each Director has a legal duty to act in the best interests of the Company. The Board sets the Company's values and standards and ensures that its obligations to its shareholders and stakeholders are understood and met.

2.2 The Board's principal focus is to:

- a. review and adopt an overall strategic plan of the company;
- b. overseeing that the Company is being properly managed and sufficient policies and procedures are in place;
- c. oversee the overall performance of the Company;
- d. ensure that principal risks are identified and appropriate mitigation deployed via risk management and internal control procedures;
- e. monitor succession planning and human capital development to ensure continuity;
- f. overseeing an effective communications policy;
- g. reviewing the adequacy and integrity of Company's internal controls;
- h. ensure that the Company has appropriate corporate governance structures, has a culture of corporate responsibility and promotes sustainability within the aspects of environment, social and governance ("ESG").

2.3 In carrying out the principal responsibilities above, all Directors are to:

- a. Understand all the requirements to effectively discharge his/her duties as a Director, including all legal and statutory requirements.
- b. Acquire knowledge and understanding about the business including the macroeconomic, political, geographical and business environment;
- c. Study in advance all information and documents and be prepared to discuss and participate in discussions at Board Meetings;
- d. Attend all Board Meetings, and where attendance is not possible, take necessary and appropriate steps to obtain a leave of absence;
- e. Act honestly, in good faith, and in the best interest of the Company with due care, diligence and fulfilling his/her fiduciary duties.

## 3. Board Structure

### 3.1 Board Balance and Mix

- a. The number of Directors shall not be less than two (2) but not more than twelve (12) as set out in the Company's Articles of Association.
- b. The Board shall comprise of at least two (2) directors, of which one third (1/3) of the Board members, whichever is higher, are independent directors. If the number of directors is not three (3) or multiple of three (3), then the number nearest to the one third (1/3) shall apply. In the event of any vacancies resulting in non-compliance with the independence requirement, the vacancy must be filled within three (3) months from the date of noncompliance.
- c. The Composition of the Board shall reflect the wide range of business, commercial, operational and financial expertise in order to provide a diversity of experiences and professionalism to the Company.
- d. Non-executive directors and/or independent directors should be persons of calibre, credibility and have the necessary skillsets to bring independent judgement, experience and objectivity into the Board decision making process.

### 3.2 Board Committees

- a. The Board has established Board Committees as part of its efforts to ensure the effective discharge of its duties and to allow specific issues to be discussed in depth by Directors with the appropriate and relevant skills, knowledge and insight.
- b. The appointment of any members to the Board Committees shall be determined and decided by the Board.
- c. The Committees established by the Board to assist the Board in the execution of its duties are as follows:
  - i. Audit Committee
  - ii. Nomination & Remuneration Committee
  - iii. Risk Committee
  - iv. ESOS Committee
- d. The Committees established by the Board to assist the Board in the execution of its duties The Chairman of the respective Board Committees will report to the Board on the outcome/key issues deliberated by the Board Committees at the Board meetings.
- e. Each of the respective Board Committees shall be governed by a Terms of Reference ("TOR") which shall set out their duties, responsibilities and criteria for membership. The respective TOR shall be periodically reviewed by the Board to ensure their appropriateness.

- 3.3 The Board shall identify when it deems appropriate an independent director as the Senior Independent Director. The duties of the Senior Independent Non-Executive Director shall include acting as a sounding board for the Chairman, an intermediary for other Directors when necessary, and the point of contact for shareholders and other stakeholders with concerns which have failed to be resolved or would not be appropriate to be communicated through the normal channels of the Chairman and/or the executive directors.
- 3.4 The roles of the Chairman and Managing Director ("MD") are distinct and clearly defined as both positions are held by separate individuals to promote accountability and to ensure a balance of power and authority, such that no one individual dominates the decision-making process.
- 3.5 Role of Chairman - The Chairman should be appointed by the board with the primary role to preside over meetings of directors and ensure the smooth functioning of the board in the interest of good governance. The Chairman shall be responsible for:
- a. Leadership of the Board, setting agenda for each board meeting and ensuring that accurate, timely and clear information is provided to all other directors;
  - b. Overseeing the effective discharge of the Board's key responsibilities, while promoting a culture of openness and constructive debate amongst board members and between the board and senior management;
  - c. Acting as a spokesperson for the Board and representing the company at shareholder's meeting and on other occasions when actions are taken or statements are made in the name of the Company.
- 3.7 Role of Managing Director - The MD is responsible for:
- a. the strategic direction of the business, and setting of management plans and budgets and policies of the Company;
  - b. ensure that the senior management team conducts are in accordance with all powers, discretion and limits of authority provided by the Board
  - c. Escalating material information to the attention of the Board in an accurate and timely manner.
- 3.8 The Board and the Management has clear division of power, and hence the Board adopts a Limits of Authority ("LOA") to delegate certain authorities and discretion to the management along with appropriate Financial Policies.

## 4. Board's Fit and Proper Policy

- 4.1 All members of the Board are required to have the necessary qualities, competencies and experience that allows them to perform their duties and carry out the responsibilities required of the position in the most effective manner.
- 4.2 The fit and proper assessment on any person identified to be appointed as a Director or to continue holding the position as a Director within the Company shall be conducted prior to the initial appointment or proposed re-election/re-appointment as a Director. The fit and proper assessment on a Director may also be conducted whenever the Company becomes aware of information that may materially compromise a Directors' fitness and propriety.

The Board, in conducting the above fit and proper assessment, shall be guided by the Board's Fit and Proper Policy as described in Paragraphs 4.3, 4.4 and 4.5 below.

- 4.3 Firstly, any person to be appointed as a Director or to continue holding the position as a Director within the Company must not be disqualified or deemed to be disqualified or vacated his office pursuant to:
- a. becomes disqualified from being a Director under Sections 198 or 199 of the Companies Act;
  - b. ceases to be or is prohibited from being a Director by virtue of the Companies Act or any other laws
  - c. becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001
  - d. dies
  - e. resign his office by notice in writing to the Company and deposited at the registered office
  - f. is removed from his office as Director by ordinary resolution of the Company in a meeting of shareholders of which special notice has been given in accordance with Section 206 (3) of the Companies Act

In assessing a person's fitness and propriety, the Board shall consider all relevant factors based on the following overarching criteria:

- a. Character and Integrity;
  - b. Experience and Competence; and
  - c. Time and Commitment.
- 4.4 The Board shall determine the specific factors for its consideration in a fit and proper assessment, having regard to the circumstances and requirements relevant to the Company. Amongst the key factors that underpin the above overarching criteria are as outlined below, which would be assessed by the Board taking into account their relative importance.

a. Character and Integrity

i.	Probity	<ul style="list-style-type: none"> <li>• He is compliant with the legal obligations, regulatory</li> </ul>
ii.	Personal Integrity	<ul style="list-style-type: none"> <li>• He has not perpetrated or participated in any business practices which are deceitful, oppressive, improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct;</li> <li>• His service contract (i.e. in the capacity of management or as a director) had not been terminated in the past due to concerns on his personal integrity;</li> <li>• He has not abused other positions (that he has held) in a manner that contravenes the principles of good governance;</li> </ul>
iii.	Financial integrity	<ul style="list-style-type: none"> <li>• He manages personal debts or financial affairs satisfactorily;</li> <li>• He demonstrates the ability to fulfil personal financial obligations as and when they fall due;</li> </ul>
iv.	Reputation	<ul style="list-style-type: none"> <li>• He is of good repute in the financial and business community;</li> <li>• He has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years;</li> <li>• He has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management;</li> </ul>

b. Experience and competence

i.	Qualifications, training and skills	<ul style="list-style-type: none"> <li>• He possesses education qualification that is relevant to the skill set that such director is earmarked to bring or to bear onto the boardroom (i.e.: a match to the Board skill set matrix);</li> <li>• He has a considerable understanding on the workings of a corporation;</li> <li>• He possesses general management skills as well as understanding of corporate governance, and appreciation of sustainability issues;</li> </ul>
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		<ul style="list-style-type: none"> <li>• He keeps knowledge current based on continuous professional development;</li> <li>• He possesses leadership capabilities and a high level of emotional intelligence.</li> </ul>
ii.	Relevant experience and expertise	<ul style="list-style-type: none"> <li>• He possesses relevant experience and expertise with due consideration given to past length of service, nature and size of business, responsibilities held, number of subordinates as well as reporting lines and delegated authorities;</li> </ul>
iii.	Relevant past performance or track record	<ul style="list-style-type: none"> <li>• He had a career of occupying a high-level position in a relevant organization, and was accountable for driving or leading the organisation's governance, business performance or operations;</li> <li>• He possesses commendable past performance record as gathered from the results of the Board Effectiveness Evaluation.</li> </ul>

c. Time and commitment

i.	Ability to discharge role having regard to other commitments	<ul style="list-style-type: none"> <li>• He is able to devote time as a Board member, having factored other outside obligations including concurrent board positions held by the director across listed issuers and non-listed entities (including not-for-profit organisations)</li> </ul>
ii.	Participation and contribution in the Board or track record	<ul style="list-style-type: none"> <li>• He demonstrates willingness to participate actively in Board activities;</li> <li>• He demonstrates willingness to devote time and effort to understand the business and exemplifies readiness to participate in events outside the Boardroom;</li> <li>• He manifests passion in the vocation of a director;</li> <li>• He exhibits ability to articulate view independently, objectively and constructively;</li> <li>• He exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.</li> </ul>



- 4.5 A person who has been identified for appointment as a Director or for re-appointment/re-election as a Director within the Company shall be required to make the fit and proper declaration in the form as set out in Appendix 1 of this Board Charter.

## 5. Board Processes

### 5.1 Board Meetings

- a. The Board meets at least four (4) times a year and the calendar is to be set in advance by the Company Secretary. The timing of these board meetings should be synchronized with the quarterly financial reporting requirement.
- b. Proceeding of all meetings and decisions are to be recorded in a minutes of meeting. The minutes are to be circulated to all Board members for review and approved by the Board at the subsequent meeting.
- c. Materials for discussion should be provided in advance for the Board members to evaluate the subject matter and to subsequently make effective decisions. The materials should ideally be circulated at least seven (7) days in advance.
- d. The Board (or any Board Committees) may invite the management and/or external parties such as auditors, solicitors, or consultants to be present in the meetings when the need arises.

### 5.2 Access to information

- a. All Directors shall have unrestricted access to the Company Secretary, or the management within the Company.
- b. In furtherance of the Board's duties, the Board may obtain professional advice at the Company's expense.
- c. The Directors acknowledge that confidential information received during the course of discharging their duties remains the property of the Company and further agrees that it shall not disclose any information to any third party.

- 5.3 Board Orientation: The Board shall maintain an orientation programme for new directors to be conducted by the MD and/or management of the Company.

- 5.4 Continuing Education Programme: All directors are to have attended a Mandatory Accreditation Programme as required by Bursa Securities. The Board shall evaluate and determine the training needs of its Directors on an ongoing basis.

5.5 Board Evaluation: The Board shall evaluate its performance annually and shall determine the necessity to arrange for the development or improvement of board processes and organizing training programmes for board, its committees and directors.

## 6. Company Secretary

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

6.2 The Company Secretary's should be accountable to the Board through the Chairman of the Board and its Committees on all governance matters. The Company Secretary is the central source of information and advice to the Board and its Committees on issues relating to Corporate Governance and he/she should assist the Board and the Chairman on the implementation and monitoring of compliances and ensuring highest standards of governance by keeping abreast with the latest development in corporate governance.

6.3 Furthermore, the Company Secretary is to ensure compliance with the procedure for conducting meetings, including supporting the board and the chairman, and the compliance with filing and administrative requirements.

## 7. Review of Board Charter

7.1 The Board shall review the Board Charter from time to time and amend it as it deems appropriate.

**Appendix 1**

**BOARD OF DIRECTORS' DECLARATION OF FIT AND PROPER**

Name :

NRIC/ Passport No :

Do hereby solemnly affirm and declare the following:

No.	Criteria	True	False
<b>Probity, Personal Integrity and Reputation</b>			
1.	I have not been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any impending proceedings or of any investigations, which might lead to such proceedings;		
2.	I have not contravened any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice;		
3.	I have not contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies;		
4.	I or any business in which I have a controlling interest or exercise significant influence, have not been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately;		
5.	I have not been engaged in any business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on my professional conduct;		
6.	I have not been dismissed, asked to resign or have resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions on my honesty and integrity;		
7.	I have not been associated, in ownership or management capacity, with a company, partnership or other business association that has been refused registration, authorisation, membership or a licence to conduct any trade, business or profession, or has had that registration, authorisation, membership or licence revoked, withdrawn or terminated;		
8.	I have not held a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation while I was connected with that business;		
9.	I have not been a director of, or have been directly concerned in the management of, any corporation which is being or has been wound up by a court or other authority competent to do so within or outside Malaysia, or of any licensed institution, the licence of which has been revoked under any written law;		

No.	Criteria	True	False
10.	In the past, I have not acted unfairly or dishonestly in my dealings with my customers, employer, auditors and regulatory authorities;		
11.	I have not at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities and failure to comply with legal, regulatory and professional requirements and standards, including compliance with tax requirements and obligations;		
12.	I have not contributed significantly to the failure of an organisation or a business unit;		
13.	I have not at any time shown strong objection or a lack of willingness to maintain effective internal control systems and risk management practices; and		
14.	I am free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of my judgement when acting in the capacity of a Director of the Company which would be disadvantageous to the Company's interest.		
<b>Financial Integrity</b>			
15.	I am and will be able to fulfil my financial obligations, whether in Malaysia or elsewhere, as and when they fall due;		
16.	To my knowledge, I have not been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.		
17.	I have not made arrangements with creditors, filed for bankruptcy or been adjudicated a bankrupt or had assets sequestered in any jurisdiction.		

\* Where you have not ticked 'TRUE', please explain and/or provide the relevant documents

<b>Explanation for items not ticked 'TRUE'</b>	
No.	Explanation

Signature :

Date :