

# TITIJAYA LAND BERHAD

## BOARD CHARTER

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### 1. **Introduction**

The Board Charter's primary function is to set out the roles and responsibilities of the Board of Directors ("the Board" or "Board") of Titijaya Land Berhad and its Group of Companies ("Titijaya" or "the Group")

The Board is accountable to Titijaya's stakeholders for the corporate governance and performance of the Group. The Board is also committed to achieve the highest standards of business integrity, ethics, and professionalism across the Group's activities.

### 2. **Purposes**

The Board, whilst supportive of management, must:-

- ◆ Participate in strategic decisions proactively
- ◆ Question the management based on informed knowledge
- ◆ Overseeing the management's plans, decision and actions
- ◆ Monitoring ethical conduct of the company as a whole, including employees, financial reporting and regulatory compliance
- ◆ Capable to achieve good governance and protecting all stakeholders' interests

### 3. **Board Composition and Size**

The Board consists of qualified individuals with various experience, background and perspective to enable them to perform their duties and responsibilities effectively. The composition and size of the Board is such that it facilitates the decision making of the Group.

Pursuant to the listing requirements, at any one time, at least two (2) directors or one third (1/3), whichever is higher of the Board members must be independent directors. If a vacancy in the Board results in non-compliance with the required composition, the vacancy must be filled within three (3) months (paragraph 15.02 of the Listing Requirements).

However, the Board must comprise a majority of independent directors where the Chairman of the Board is an independent director to ensure balance of power and authority on the Board. A meaningful proportion of non-executive directors with key attribute of independence is required and such directors should ensure that the varied

competing interests of all stakeholders are respected without sacrificing financial performance and accountability.

All directors shall notify the Board if there is any new directorship or significant commitments outside the Group.

An independent director is independent of management and free from any business or other relationship that could materially interfere with the exercise of unfettered and independent judgement.

#### 4. **Position description**

##### **Chairman**

- ◆ Ensuring the Board functions effectively, cohesively and independently of management
- ◆ Providing governance in matters requiring corporate justice and integrity
- ◆ Monitoring the work of the Board, especially the conduct of Board meetings
- ◆ Chair general meetings of shareholders
- ◆ Ensuring the effective communication between the Group and its shareholders and relevant stakeholders

##### **Managing Director**

- ◆ Developing strategic direction of the Group
- ◆ Ensuring the Group is properly and efficiently managed by having the executive team implementing the policies and strategies being adopted efficiently
- ◆ Take remedial action when it is necessary
- ◆ Consistently leading and monitoring the Group's goals and objectives

##### **Chief Operating Officer**

- ◆ Ensuring the Group's operation is properly executed with the strategic direction of the Group
- ◆ Ensuring the objectives and standards of performance are fully understood by the employees
- ◆ Ensuring all operational planning and control systems perform on track
- ◆ Monitoring performance results against plans
- ◆ Solving operational matters

## 5. **Functions & Duties of The Board**

The Board oversees, review and monitors the operation, adequacy and effectiveness of the Group's system of internal controls.

The Board has established the following core committees to assist them in the discharge of their duties and responsibilities in accordance with the approved terms of reference of the respective core committees.

- ◆ Audit Committee
- ◆ Nomination Committee
- ◆ Remuneration Committee

The Board shall schedule at least four (4) meetings annually and special meetings can be convened if it is required.

- ◆ Notice of Board meeting, full agenda and full supporting Board materials should be given in advance of each meeting and directors are expected to review materials in advance in order to facilitate meaningful discussion during each meeting.

According to paragraph 15.04 of the Listing Requirements, the Board of directors has the right to the resources, whenever necessary and reasonable for the performance of his duties, at the cost of the Group and in accordance with the procedure to be determined by the Board, including but not limited to obtaining:-

- ◆ Full and unrestricted access to any information pertaining to the Group
- ◆ Full and unrestricted access to the advice and services of the Group secretary
- ◆ Independent professional or other advice

Paragraph 15.08 of the Listing Requirements requires the Board of directors to comply with the following:-

- ◆ A director of a listed company must ensure that he attends such training programmes as may be prescribed by Bursa Malaysia from time to time
- ◆ Bursa Malaysia considers continuous training for the directors of listed companies as important to enable the directors to effectively discharge their duties. In this respect, the Board of a listed company must on a continuous basis, evaluate and determine the training needs of its directors. The subject matter of training must be one that aids the director in the discharge of his duties as a director. The Board must disclose in the listed company's annual report whether its directors have attended training for the financial year. Where any of its directors has not attended any training during the financial year, the Board must state reasons thereof in the annual report of each director.

In addition, it is important for the Board of directors to keep abreast of regulatory changes and developments in corporate governance through reading and attendance at relevant training programmes.

The Board is required to act in the best interests of the Group. The Board also has a duty of confidentiality in relation to the Group's confidential information.

A director should disclose to the Board if any material personal interest he has in any matter which relates to the affairs of the Group and any other interests that the director believes are appropriate to be disclosed in order to avoid conflict of interest.

## **6. Functions & Duties of Committees**

### **A. Remuneration Committee**

The Remuneration Committee shall provide competitive, reasonable and fair remuneration to executive directors to ensure that the Group retains high calibre executive directors with knowledge and expertise to increase the value of the Group to benefit all stakeholders.

The Remuneration Committee shall provide a fixed base fee to non-executive directors. It is not by commission or percentage of profit/turnover. The amount of directors' fee to non-executive directors is subject to the approval of the shareholders at the Annual General Meeting.

### **B. Audit Committee**

The Audit Committee aims to present a clear and balanced assessment of the Group's financial position and prospects for its financial statements and quarterly announcements to the shareholders.

The Audit Committee ensure that the financial statements are prepared in accordance to the Companies Act and applicable approved accounting standards set out by the Malaysian Accounting Standards Board to present a true and fair view of the state of affairs of the Group.

The Audit Committee actively identifies, assesses and monitors key business risks to safeguard shareholders' investments and the Group's assets, including the relevant measures deployed by the Board to address the said risks, understanding the principal risks of the business of the Group and recognizing that business decisions require the incurrence of risk.

The Audit Committee will ensure an annual review of risk management process, including the procedures to be carried out.

### **c. Nomination Committee**

The Nomination Committee should ensure that the appointment, resignation of directors, company secretaries and auditors are duly executed and documented.

The Board via the Nomination Committee must evaluate the training needs of its directors and ensure that their training needs are met. Competencies of members need to be refreshed by participation in:-

- ◆ Seminars and workshops that highlight techniques of enhancement of shareholder value and methods of evaluating business performance and capital proposals
- ◆ Updating of regulatory and legislative reforms that have impact to The Group
- ◆ Understanding financial statements and products which relate to The Group
- ◆ Industry conferences and trade shows which strengthen professional networking and enable the gaining of visions of customers and competitors

### **6. Company Secretary**

The Company Secretary plays an important advisory role and is the source of information and advice to the Board on issues relating to compliance with laws, rules, procedures and regulations affecting the Group.

The board shall appoint someone who is capable of carrying out the duties to which the post entails and the removal of the Company Secretary shall be a matter for the Board as a whole.

The Company Secretary shall report directly to the Board and the responsibilities will be:-

- ◆ Advising the Board and Management on governance issues
- ◆ Ensuring the compliance with listing and related statutory obligations
- ◆ Attending Board and general meetings ensuring the proper recording of minutes
- ◆ Ensuring proper upkeep of statutory obligations
- ◆ Assisting Chairman in the preparation for and conduct of meetings
- ◆ Assisting the induction of the new directors, and continuously updating the Board of changes in listing requirements, other related legislations and regulations

7. **Review of Charter**

The Board will regularly review this charter to ensure they remain consistent with the Board's objectives, responsibilities, current law and practices.