

**KUMPULAN PERANGSANG SELANGOR BERHAD
(23723-K)**

BOARD CHARTER

1. INTRODUCTION

The Directors of Kumpulan Perangsang Selangor Berhad (Perangsang Selangor) regard Corporate Governance as vitally important to the success of Perangsang Selangor's business and are unreservedly committed to applying the principles necessary to ensure that the following principles of good governance is practiced in all of its business dealings in respect of its shareholders and relevant stakeholders : -

*MCCG 2012
Rec. No. 1.0*

- The Board is the focal point of the Company's Corporate Governance system. It is ultimately accountable and responsible for the performance and affairs of the Company.
- All Board members are expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.
- All Board members are responsible to the Company for achieving a high level of good governance.
- This Board Charter shall constitute, and form, an integral part of each Director's duties and responsibilities.

2. OBJECTIVES

The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislation 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.

In pursuit of the ideals in this Board Charter, the intention is to exceed "minimum legal requirements" with due consideration to recognized standards of best practices locally and internationally.

3. THE BOARD

Clause

Reference

3.1 Role and Responsibilities

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| 3.1.1 | The Board is charged with leading and managing the Company in an effective and responsible manner. Each Director has a legal duty to act in the best interest of the Company. The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders for the manner in which the affairs of the Company are managed. The Board sets the Company's values and standards and ensures that its obligations to its shareholders and stakeholders are understood and met. | <i>MCCG 2007
Part 1 A1</i> |
| 3.1.2 | The Board understands the responsibility for good Corporate Governance rests with them and therefore strives to follow the principles, best practices and recommendations stated in the MCCG. The Board includes a narrative statement in its Company's Annual Report on the extent of compliance with the principles and recommendations stated under each principle in Corporate Governance Statement pursuant to Paragraph 15.25 of the MMLR. | <i>MMLR
Para 15.25</i> |
| 3.1.3 | The Company by virtue of its admission to the Official List, bound by these MMLR, the Rules of the Exchange and the Rules of the Depository. | <i>MMLR
Para 2.04</i> |
| 3.1.4 | The Board meets in person at least once every quarter to facilitate the discharge of their responsibilities. Members of the management who are not Directors may be invited to attend and speak at meetings on matters relating to their sphere of responsibility. | <i>MCCG 2007
Part 2 AA XIV</i> |
| 3.1.5 | Duties of the Board including establishing the corporate vision and mission, as well as the philosophy of the Company, setting the aims of the Management and monitoring the performance of the Management. The Board to ensure measures are in place to assess Management's performance. | <i>MCCG 2012
Rec. No. 1.2</i> |

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| 3.1.6 | The Board assumes the following specific duties: | <i>MCCG 2012
Rec. No. 1.1 and
1.2</i> |
| | a) Establishing and reviewing the strategic direction of the Company; | |
| | b) Overseeing and evaluating the conduct of the Company's businesses; | |
| | c) Identifying principal risks and ensure that the risks are properly managed; | |
| | d) Establishing a succession plan; | |
| | e) Developing and implementing an investors relations programme or shareholder communication policy; and | |
| | f) Reviewing the adequacy of the internal control policy. | |
| 3.1.7 | The Board has established written procedures determining which issues require a decision of the full Board and which issues can be delegated to Board Committees or the Management. | <i>MCCG 2012
Rec. No. 1.1</i> |
| 3.1.8 | The Board reserves full decision-making powers on the following matters : | <i>MCCG 2012
Rec. No. 1.1</i> |
| | a) Conflict of interest issues relating to a substantial shareholder of a Director; | |
| | b) Material acquisitions and disposition of assets not in the ordinary course of business; | |
| | c) Investments in Capital projects; | |
| | d) Authority levels; | |
| | e) Treasury policies; | |
| | f) Risk management policies; and | |
| | g) Key human resource issues. | |

<i>Clause</i>	<i>Reference</i>
3.1.9 The Board has established a procedure whereby the Directors, collectively or individually, may seek independent professional advice in furtherance of their duties at the Company's expense.	<i>MCCG 2012 Rec. No. 1.5 MMLR Para 15.04</i>
3.1.10 The Board undertake regular review of division of responsibilities of Board and Management.	<i>MCCG 2012 Rec. No. 1.1</i>
3.1.11 The Board will agree with the Chief Executive Officer (CEO), the Perangasang Selangor's corporate objectives, performance targets and long-term goals of the business, to be met by the CEO.	<i>MCCG 2012 Rec. No. 1.1</i>
3.1.12 The Board commits to ethical values through a Code of Conduct and ensure the implementation of appropriate internal systems to support, promote and ensure its compliance.	<i>MCCG 2012 Rec. No. 1.3</i>
3.2	Composition and Board Balance
3.2.1 The Board consists of qualified individuals with diverse experiences, backgrounds and perspectives. The composition and size of the Board is such that it facilitates the making of informed and critical decisions.	<i>MCCG 2007 Part 2 AA XII</i>
3.2.2 At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members are Independent Directors. Where the Chairman of the Board is not an independent Director, the majority of Board members will be independent Directors.	<i>MMLR Para 15.02 MCCG 2012 Rec. No. 3.5</i>
3.2.3 Profiles of Board members are included in the Annual Report of the Company or may be disclosed on its website instead provided it has been previously announced or disclosed to shareholders or remain substantially unchanged from year to year.	<i>MMLR Para 9.25(1)</i>
3.2.4 The CEO is the "Executive" Director on the Board. However, the views of the Management are represented at meetings of the Board by the presence of senior executives when required.	

<i>Clause</i>	<i>Reference</i>
3.2.5 Identifying individuals of suitable quality and background is essential for a high performing Board. The nominations and appointments process is crucial to strong corporate performance as well as effective accountability.	<i>Higgs Report Para 10.2 MCCG 2012 Rec. No. 2.2</i>
3.2.6 The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations.	
3.2.7 The Independent Directors help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.	
3.2.8 The views of the Independent Directors should carry significant weight in the Board's decision-making process.	
3.2.9 The Board may appoint a Senior Independent Director to whom shareholders' concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman or the CEO have failed to resolve them. The Senior Independent Director chairs the meetings between the Non-Executive Directors where both the Chairman and Executive Directors do not attend.	<i>MCCG 2007 Part 2 AA VII Higgs Report Para 7.5</i>
3.2.10 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 will clearly reflect this.	<i>MCCG 2007 Part 2 AA XIV</i>
3.3 Appointments	
3.3.1 The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination Committee.	<i>MCCG 2012 Rec. No. 2.1</i>
3.3.2 New Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board performance of its duties and to give sufficient time and attention to the affairs of the Company.	

<i>Clause</i>	<i>Reference</i>	
3.3.3	The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.	<i>MCCG 2012 Rec. No. 1.6</i>
3.3.4	Upon the appointment of a new Director, the Company Secretary advises the Director of his/her principal duties and responsibilities and explains the restrictions to which he or she is subject to in relation to price-sensitive information and dealings in the Company's securities. Thereafter, all Directors are provided with appropriate briefings on the Company's affairs and up-to-date Corporate Governance materials published by the relevant bodies.	
3.3.5	The Company has adopted an induction programme for newly appointed Directors. The induction programme aims at communicating to the newly appointed Directors, the Company's vision and mission, its philosophy and nature of business, current issues within the Company, the corporate strategy and the expectations of the Company concerning input from Directors. The Company Secretary is primarily responsible for the induction programme with appropriate assistance from other senior Executive Directors.	<i>MCCG 2007 Part 2 AA XIII Higgs Report Para 11.4</i>
3.3.6	The Company had adopted educational/training programmes to update the Board in relation to new developments pertaining to the laws and regulations and changing commercial risks which may affect the Board and/or the Company.	<i>Higgs Report Para 11.6 – 11.18</i>
3.3.7	In addition to the mandatory Accredited Programme (MAP) as required by the Bursa Securities, Board members are also encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Company's operations and business. The Board will assess the training needs of the Directors and disclose in the Annual Report the trainings attended by the Directors.	<i>MMLR Para 15.08 1-3 Higgs Report Para 11.6 – 11.18 MCCG 2012 Rec. No. 4.2</i>
3.3.8	The directorships held by any Board member at any one time shall not exceed any number as may be prescribed by the relevant authorities.	<i>MMLR Para 15.06</i>

<i>Clause</i>	<i>Reference</i>
3.4 Re-election	
3.4.1 All Directors are subject to retirement by rotation.	<i>MMLR Para 7.26</i>
3.5 Supply of Information	
3.5.1 The Company aims to provide all Directors with timely and quality information and in a form and manner appropriate for them to discharge their duties effectively.	<i>MCCG 2012 Rec. No. 1.5</i>
3.5.2 The Management is responsible for providing the Board with the required information in an appropriate and timely manner. The Chairman, assisted by the Company Secretary, assesses the type of information required to be provided to the Board. If the information provided by the Management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.	<i>Higgs Report Para 11.26</i>
3.5.3 A full agenda and comprehensive Board papers are circulated to all Directors well in advance of each Board meeting.	<i>MCCG 2012 Rec. No. 1.7</i>
3.5.4 Amongst others, the Board papers include the following :	<i>MCCG 2012 Rec. No. 1.7</i>
a) Quarterly financial report and report on the Company's cash and borrowing positions;	
b) Minutes of meetings of all Committees of the Board;	
c) A current review of the operations of the Company;	
d) Reports on Related Party Transactions and Recurrent Related Party Transactions;	
e) Directors' share-dealings, including public shareholdings spread; and	
f) Annual Management Plans;	
3.5.6 Full Board minutes of each Board meeting are kept by the Company Secretary and are available for inspection by any Director during office hours.	

4. CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CEO)

The Company aims to ensure a balance of power and authority between the Chairman and CEO with a clear division of responsibility between the running of the Board and the Company's business respectively. The positions of Chairman (i.e. Non-Executive Chairman) and CEO are separated and clearly defined.

*Higgs Report
Para 5.3*

*MCCG 2012
Rec. No. 3.4*

4.1 Chairman

4.1.1 The Chairman is responsible for all aspects of its role. The Chairman is responsible for :

*Higgs Report
Para 5.2*

- a) Leading the Board in setting the values and standards of the Company;
- b) Maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
- c) Ensuring the provision of accurate, timely and clear information to Directors;
- d) Ensuring effective communication with shareholders and relevant stakeholders;
- e) Arranging regular evaluation of the performance of the Board, its Committees and individual Directors;
- f) Facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors.

4.1.2 The Chairman in consultation with the CEO and the Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda.

*MCCG 2012
Rec. No. 1.7*

4.1.3 The Chairman is responsible for managing the business of the Board to ensure that :

- All Directors are properly briefed on issues arising at Board meetings.

- Sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion.
- The issues discussed are forward looking and concentrates on strategy.

*Higgs Report
Para 5.12*

*Higgs Report
Para 5.11*

4.1.4 The Chairman ensures that every Board resolution is out to vote to ensure the will of the majority prevails.

4.1.5 The Chairman ensures that Executive Directors look beyond their executive functions and accept their full share of responsibilities on governance.

4.1.6 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.

*MMLR
Para 7.32*

4.2 Chief Executive Officer (CEO)

4.2.1 The CEO is the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions.

4.2.2 The CEO has the executive responsibility for the day-to-day operation of the Company's business.

4.2.3 The CEO implements the policies, strategies and decisions adopted by the Board.

*MCCG 2012
Rec. No. 1.1*

4.2.4 All Board authorities conferred on the management is delegated through the CEO and this will be considered as the CEO's authority and accountability as far as the Board is concerned.

*MCCG 2012
Rec. No. 1.1*

5. BOARD COMMITTEES

The Board has established the following Board Committees with specific terms of reference :

*MMLR
Para 15.09 &
15.08A(1)(2)*

- Audit Committee
- Nomination Committee
- Remuneration Committee

*MCCG 2012
Rec. No. 2.3*

The Board has also established various Board Committees namely CSR Board Committee, Board Risk Management Committee, Option Committee and Tender Board Committee with specific terms of reference, to address important areas in greater detail which may not be possible at Board meeting.

Independent and Non-Executive Directors play a leading role in these Committees. The Management and third parties are co-opted to the Committees as and when required. Details of the membership and a summary of the terms of reference of each Committee appointed by the Board are published in the Annual Report.

*Higgs Report
Para 13.1*

5.1 Audit Committee

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

*MMLR
Para 15.09*

5.1.2 No alternate Director can be appointed as a member of the Audit Committee.

*MMLR
Para 15.09*

5.1.3 The Chairman of the Audit Committee shall be an Independent Director who shall be appointed by the Board.

*MMLR
Para 15.10*

5.1.4 The functions of the Audit Committee are to review the following and report the same to the Board :

*MMLR
Para 15.12*

*MCCG 2012
Rec. No. 1.7*

- a) With the external Auditor, the audit plan;
- b) With the external Auditor, his evaluation of the system of internal controls;
- c) With the external Auditor, his audit report;
- d) The assistance given by the employees of the Company to the external Auditor;
- e) The adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- f) The internal audit programme, processes, the results of the internal audit

*MCCG 2012
Rec. No. 5.2*

programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit functions.

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| <p>g) The quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on :</p> <p style="margin-left: 40px;">i. Changes in or implementation of major accounting policy changes;</p> <p style="margin-left: 40px;">ii. Significant and unusual events; and</p> <p style="margin-left: 40px;">iii. Compliance with accounting standards and other requirements;</p> <p>h) Any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions of management integrity;</p> <p>i) Any letter of resignation from the external Auditor of the Company; and</p> <p>j) Whether there is reason (supported by grounds) to believe that the Company's external Auditor is not suitable for re-appointment.</p> | <p><i>MCCG 2012
Rec. No. 5.1</i></p> <p><i>MMLR
Para 15.12</i></p> <p><i>MCCG 2012
Rec. No. 5.2</i></p> |
| <p>5.1.5 The Audit Committee meets on a quarterly basis to carry out its functions. The Audit Committee is also responsible for recommending the person or persons to be nominated to act as the external Auditor and the remuneration and terms of engagement of the external Auditor.</p> | <p><i>MMLR
Para 15.12</i></p> |
| <p>5.1.6 The CEO, General Manager, Head of Internal Audit and the Financial Controller may attend the meetings only at the invitation of the Audit Committee.</p> | <p><i>MMLR
Para 15.13</i></p> |
| <p>5.1.7 The Board will review the performance of the Audit Committee once in every three (3) years.</p> | <p><i>MMLR
Para 15.20</i></p> |

- 5.1.8 The Audit Committee to obtain written assurance from the external Auditor confirming their independence throughout the conduct with relevant professional and regulatory requirements. *MCCG 2012 Rec. No. 5.2*
- 5.2 Nomination Committee**
- 5.2.1 The Nomination Committee comprises exclusively of Non-Executive Directors, a majority of whom must be Independent Directors. *MCCG 2012 Rec. No. 2.1*
- 5.2.2 The Chairman of the Nomination Committee is the Senior Independent Director who shall be appointed by the Board. *MCCG 2012 Rec. No. 2.1*
- 5.2.3 The Nomination Committee's primary responsibilities include :
- a) Leading the process for Board appointments and making recommendations to the Board.
 - b) Assessing Directors on an on-going basis.
 - c) Annually reviewing the required skills and core competencies of Non-Executive Director, including familiarizing with the Company's operations. *MCCG 2007 Part 2 AA IX*
- 5.2.4 Duties:
- The Nomination Committee will :
- a) Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise. *MCCG 2012 Rec. No. 2.2*
 - b) Evaluate the balance of skills, knowledge and experience on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment of Director. *MCCG 2012 Rec. No. 2.2*
 - c) Review the time required from a Non-Executive Director. The performance

evaluation should be used to assess whether the Non-Executive Director is spending enough time to fulfil their duties.

- d) Consider candidates from a wide range of backgrounds and look beyond the “usual suspects”.
- e) Give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company and what skills and expertise are needed on the Board in the future.
- f) Regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any changes.
- g) Keep under review the leadership needs of the organization, both executive and non-executive, with a view to ensuring the continued ability of the organization to compete effectively in the marketplace.
- h) Make a statement in the annual report about its activities; the process used for appointments and explain if external advice or open advertising has not been used; the membership of the Committee, number of Committee meetings and attendance of members over the course of the year.
- i) To develop criteria and oversee annual assessment of Directors with the appropriate criteria.
- j) To develop criteria to assess independence of Directors. Such assessment will then be conducted by the Board.
- k) Facilitate Board induction and training for newly appointed Directors.
- l) Review training programs for the Board (in areas for which the Directors may be lacking)

*MCCG 2012
Rec. No. 2.2
and 3.1*

	m) Facilitate achievement of board gender diversity policies and targets	
5.2.5	The Nomination Committee's primary responsibilities include :	<i>Higgs Report/ ICSA Annex F</i>
	<ul style="list-style-type: none"> • As regards plans for succession for Directors and Senior Management to maintain an appropriate balance of skills on the Board; • As regards the re-appointment of any Non-Executive Director at the conclusion of their specified term of office; • Concerning the re-election by shareholders of any Director under the retirement by rotation provisions in the Company's articles of association; • Concerning any matters relating to the continuation in office of any Director at any time ; and • Concerning the appointment of any Director to executive or other office other than to the positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of the Board. 	<p><i>Higgs Report Para 10.14</i></p> <p><i>MCCG 2012 Rec. No. 2.2</i></p>
5.2.6	In the event that the Board appoints a new Chairman, the Nomination Committee will be guided by the following principles prior to making recommendations to the Board :	<i>Higgs Report/ Para 10.35</i>
	<ul style="list-style-type: none"> a) That the Senior Independent Director leads the appointment process. b) That a systematic evaluation be undertaken to identify the skills and expertise required for the role. c) That all short listed candidates be considered with the possibility of obtaining external advice, if necessary. 	
5.3	Remuneration Committee	
5.3.1	The Remuneration Committee shall comprised	<i>MCCG 2012</i>

<i>Clause</i>	<i>Reference</i>
exclusively or a majority of Non-Executive Directors.	<i>Rec. No. 2.3</i>
5.3.2 The Chairman of the Remuneration Committee shall be an Independent Non-Executive Director who shall be appointed by the Board.	
5.3.3 The Remuneration Committee's primary responsibilities includes establishing, reviewing and recommending to the Board the remuneration packages of each individual Executive Directors and the Non-Executive Chairman.	<i>Higgs Report Annex E MCCG 2007 Part 2 AA XXIV</i>
5.3.4 The Remuneration Committee is also responsible for recommending the remuneration for the Senior Management and that the remuneration should reflect the responsibility and commitment that goes with in.	<i>Higgs Report Para 13.10</i>
6. REMUNERATION LEVELS OF DIRECTORS	
6.1 The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal.	<i>Higgs Report Para 12.24</i>
6.2 The level of remuneration for the CEO and Executive Directors is determined by the Remuneration Committee after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.	
6.3 Non-Executive Directors are entitled to participate in the Company's Employee Share Options Scheme (ESOS) subject to approval at a General Meeting. Non-Executive Directors who participated in the ESOS are prohibited to sell, transfer or assign the shares within one (1) year from the date of offer of such options.	<i>MMLR Para 6.06, Part G, Chapter 8</i>
6.4 No Director other than the CEO and Executive Directors shall have a service contract with the Company.	
6.5 A formal independent review of the Directors' remuneration is undertaken no less frequently	

than once every three (3) years or as and when necessary.

- 6.6 There is adequate disclosure in the Annual Report with a note on the remuneration of Directors.

7. FINANCIAL REPORTING

7.1 Transparency

- 7.1.1 The Company aims to present a clear and balanced assessment of the Company's financial position and future prospects that extends to the interim and price-sensitive information and other relevant reports submitted to regulators. *MCCG 2007 Part 1 D I*

- 7.1.2 The Directors ensure that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the approval accounting standards. *CA Section 169(15)*

- 7.1.3 The Company's practice is to announce to Bursa Securities its quarterly financial results as early as possible within two (2) months after the end of each quarterly financial period. *MMLR Para 9.22*

- 7.1.4 The Auditors Report shall contain a statement from the Auditors explaining their responsibility in forming an independent opinion, based on their audit, of the financial statements. *CA Section 174*

7.2 Company Auditors

- 7.2.1 The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company Auditors through its Audit Committee. *MCCG 2007 Part 1 D III*

- 7.2.2 The Audit Committee also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company Auditors. The Company ensures that the Company Auditors do not supply a substantial volume of non-audit services to the Company. *MCCG 2012 Rec. No. 5.2*

- 7.2.3 Appointment of the Company Auditors is subject *CA*

to approval of shareholders at general Meetings. The Company Auditors have to retire during the AGM every year and be re-appointed by shareholders for the ensuing year.

Section 172(1)

7.3 Internal Controls and Risk Management

7.3.1 The Company has a well-resourced internal audit function, which critically reviews all aspects of the Company's activities and its internal controls. Comprehensive audits of the practices, procedures, expenditure and internal audit controls of all business support units and subsidiaries are undertaken on a regular basis. The Head of Internal Audit has direct access to the Board through the Chairman of the Audit Committee.

*MCCG 2012
Rec. No. 6.1
& 6.2*

7.3.2 The Board ensures the system of internal controls is reviewed on a regular basis.

*MCCG 2012
Rec. No. 6.1*

7.3.3 The Audit Committee receives reports regarding the outcome of such reviews on a regular basis.

*Higgs Report
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8. GENERAL MEETINGS

8.1 Annual General Meeting (AGM)

8.1.1 The Company regards the AGM as an important event in the corporate calendar of which all Directors and key senior executives should attend.

8.1.2 The Company regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.

*MCCG 2012
Rec. No. 8.1*

8.1.3 The Chairman encourages active participation by the shareholders during the AGM.

*MCCG 2012
Rec. No. 8.3*

8.1.4 The Chairman and, where appropriate, the CEO responds to shareholders' queries during the meeting. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.

*MCCG 2012
Rec. No. 8.3*

8.2 Extraordinary General Meeting (EGM)

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

9. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

- 9.1 The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.

- 9.2 The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.

- 9.3 The Company conducts dialogues with financial analysts from time to time as a means of effective communication that enable the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.

- 9.4 A press conference will normally be held after each General Meeting. At this press conference, the Chairman or CEO will give a press release stating the Company's results, their prospects and outline any specific event for notation. All press releases will be vetted by the Corporate Disclosure Manager to ensure that information that has yet to be released to Bursa Securities is not released to the press.

*Bursa Malaysia
Best Practices
In Corporate
Disclosures*

- 9.5 The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

*Bursa Malaysia
Best Practices
In Corporate
Disclosures*

10. RELATIONSHIP WITH OTHER STAKEHOLDERS

In the course of pursuing the vision and mission of the Company, the Board recognize that no Company can exist by maximizing shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.

10.1 Employees

- 10.1.1 The Board acknowledges that the employees are invaluable assets of the Company and play a vital role in achieving the vision and mission of the Company.
- 10.1.2 The Company 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 in the workplace.

10.2 Environment

- 10.2.1 The Board acknowledges the need to safeguard and minimise the impact to the environment in the course of achieving the Company's vision and mission.
- 10.2.2 The Company adopts comprehensive and documented policies and procedures as part of its commitment to protect the environment and contribute towards sustainable development.
- 10.2.3 The Company supports initiatives on environmental issues.

*MCCG 2012
Rec. No. 1.4*

10.3 Social Responsibility

- 10.3.1 The Board acknowledges that the Company should play a vital role in contributing towards the welfare of the community in which it operates.
- 10.3.2 The Company adopts comprehensive and documented policies and procedures towards responsible marketing and advertising of its products and services.
- 10.3.3 The Company supports charitable causes and initiatives on community development projects.

11. COMPANY SECRETARY

- 11.1 The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed. *MCCG 2012 Rec. No. 1.6*
- 11.2 The Company Secretary is accountable to the Board through the Chairman of the Board and Committee on all governance matters.
- 11.3 The Secretary is central source of information and advice to the Board and its Committee on issues relating to compliance with laws, rules, procedures and regulations affecting the Company. *Higgs Report Para 11.30*
- 11.4 The Company Secretary should advise Directors of their obligations to adhere to matters relating to :
- a) Disclosure of interest in securities
 - b) Disclosure of any conflict of interest in a transaction involving the Company
 - c) Prohibition on dealing in securities
 - d) Restrictions on disclosure of price-sensitive information
- 11.5 The Company Secretary must keep abreast of, and inform, the Board of current governance practices. *Higgs Report Para 11.31*
- 11.6 The Board members have unlimited access to the professional advice and services of the Company Secretary. *MCCG 2012 Rec. No. 1.6*

12. APPLICATION

- 12.1 The principles set out in this Charter are :
- a) Kept under review and updated as practices on Corporate Governance develop and further guidelines on Corporate Governance are issued by the relevant regulatory authorities; *MCCG 2012 Rec. No. 1.7*

- b) Applied in practice having regard to their spirit and general principles rather than to the letter alone; and
 - c) Summarized in the Annual Report as part of a narrative statement by the Directors on Corporate Governance.
- 12.2 The Board endeavours to comply at all times with the principles and practices set out in this Charter.
- 12.3 Any updates to the principles and practices set out in this Charter will be made available on the Company's website.

Approved by the Board on 29 November 2010
Approved by the Board on 26 February 2013 (Revised 1)