

Board Charter

Rakyat Holdings Sdn Bhd

Table of Contents

Section A: The Board, its Composition and Authority

1.	Introduction	3
2.	Board Composition and Independence	3
3.	Authority of the Board	4
4.	Roles and responsibilities of the Board	5
5.	Matters Reserved for the Board's Deliberation and Approval	7
6.	Board Committees	9
7.	Group Governance	9
8.	Code of Conduct for the Board	9

Section B: Roles of the Chairman, Directors, Chief Executive Officer and Company Secretary

9.	Role of the Chairman	11
10.	Role of the Board of Directors	12
11.	Role of the Chief Executive Officer	12
12.	Role of the Company Secretary	13
13.	The Chairman - Chief Executive Officer Relationship	13

Section C: Board Processes

14.	Appointment, Re-appointment and Removal of Directors	14
15.	Limitation on External Commitment	14
16.	Performance and Assessment	14
17.	Tenure of Directors	14
18.	Remuneration of Directors	14
19.	Training and Development for Directors	15
20.	Board Meetings	15

Section D: Administration

21.	Review of Charter	17
22.	Publication of Charter	18

Section A: The Board, its composition and authority

1 Introduction

1.1 Purpose

- 1.1.1 This Board Charter (the “Charter”) is the guiding document for the Board of Directors (the “Board”) of Rakyat Holdings Sdn Bhd (“RHSB” or “the Company”). The Charter is subject to the provisions of the Companies Act 2016 (“CA 2016” or “the Act”), Company’s Constitution and any other applicable law or regulatory requirements, which empowers the Board to carry out the functions and powers and general administration of the affairs and business of the Company.

1.2 Guiding principles of the Board Charter

- 1.2.1 This Charter should be read together with the relevant provisions, principles and standards set out in guidelines, circulars and directives issued by:
- (a) Constitution of RHSB;
 - (b) Relevant policy documents, practices and guidance issued by Bank Negara Malaysia (“BNM”) that is applicable to the Company, being a subsidiary of a Development Financial Institution;
 - (c) Relevant practices and guidance in the Malaysian Code on Corporate Governance;
 - (d) Relevant policy, procedures, guidelines, circular issued by Bank Kerjasama Rakyat Malaysia Berhad (“Bank Rakyat”), the holding company of RHSB; and
 - (e) Relevant policy, procedures, guidelines, circular issued by RHSB.
- 1.2.2 The Board shall be subject to the relevant provisions of the Group Board of Directors Policy (the “Board Policy”) established by Bank Rakyat, the holding company, which serves as guidance to the Board in effectively fulfilling their duties. This policy outlines the guiding principles and matters pertaining to Board organization, responsibilities, and relevant internal policies and procedures, including those outlined in this Board Charter.
- 1.2.3 When there is a conflict between the provisions of this Charter, regulatory and legislative provisions, and the Company’s policies and procedures in relation to the function of the Board (including its conduct), the Act mentioned above shall prevail.

2 Board composition and independence

2.1 Board size and composition

- 2.1.1 The Board shall consist of a Chairman and not less than two (2) and not more than six (6) other members with majority of the Board being representatives of Bank Rakyat.

- 2.1.2 The Board shall periodically review and evaluate the size of the Board, with view to promote effective deliberation and to encourage active participation of all Directors. This review and evaluation can also be conducted at the holding company level.
- 2.1.3 The Board shall take into consideration the following when reviewing its size:
 - (a) The evolving circumstances and needs of the Company in terms of its size, market or business operation; and
 - (b) Other factors such as, representation of the interests of certain members or groups of members, technical know-how or experience in the relevant industry sector, and the Board's diversity of professional experience, ethnicity, gender and age.
- 2.1.4 The Chairman of the Board must not be an executive and must not have served as the Chief Executive Officer ("CEO") of the Company in the past five years.
- 2.1.5 Subject to the prevailing practice of the Group, there shall be no Executive Director within the Board of Directors. However, if deemed necessary by any regulation or law, or if the Board decides to appoint an Executive Director at any time, the Board must not have more than one (1) Executive Director to promote effective independent oversight by the Board.

2.2 Board mix of skills, experience and competencies

- 2.2.1 The Board shall comprise of Directors who as a group demonstrate a mixture of competencies and knowledge of the core business of the Company including dealing and providing management services for real estate or property and/or in any other field relevant to the operations and strategic direction of the core business of the Company.
- 2.2.2 All Directors should possess a sound level of knowledge of provisions of acts relevant to the Company, as wells as the Group Board Policy on the functions, powers, duties, responsibilities, restrictions and limitations of the Company, the Board and individual Directors.
- 2.2.3 The Board, with the assistance of the Group Board Nomination and Remuneration Committee ("NRC"), shall establish, document, and periodically assess the criteria and skills necessary for its members, both individually and as a group. These criteria and skills should align with the fit and proper requirements and the specific market or business knowledge needed for effective Board performance. This criteria and skill sets are to be regularly reviewed by the Board to encourage diversity and ensure alignment with the strategic direction and emerging challenges faced by the Company.

2.3 Board diversity

- 2.4.1 The Board shall strive to promote and welcome diversity and gender mix in its composition.

3 Authority of the Board

- 3.1 In carrying out its functions, the Board shall have the authority to:
 - (a) Investigate any activity or matter within its Board Charter;
 - (b) Acquire the resources necessary for it to perform its duties;
 - (c) Have full and unrestricted access to the information, records, properties and personnel of the Company;

- (d) Seek relevant internal and external independent professional advice as it deems necessary at the expense of the Company, in furtherance of their service as Directors; and
 - (e) Meet exclusively among the members, wherever deemed necessary.
- 3.2 Where independent professional or other advice is considered necessary for the discharge of Directors' duties to the Company, such proposal for independent professional or other advice shall be subject to the approval of the Board.

4 Roles and responsibilities of the Board

4.1 Roles of the Board

- 4.1.1 The Board members have a fiduciary duty to act in the best interests of the shareholder. All Directors must act with integrity, led by example, keep abreast of his responsibilities as a director and of the conduct business activities and development of the Company.
- 4.1.1 The Board is responsible to promote sustainable growth and financial soundness of the Company and to ensure maximisation of value and safeguarding of shareholder' interests.
- 4.1.2 The Board shall foster a culture of good corporate governance and set Key Performance Indicators to enhance corporate accountability, including but not limited to the standards prescribed by the applicable laws and regulations from time to time.
- 4.1.3 The Board has delegated day-to-day management of the Company to the Key Management personnel which is the CEO.

4.2 Key responsibilities of the Board

- 4.2.1 In discharging its responsibilities, the Board shall undertake the following:
 - (a) Regularly review and affirm its objective, taking into account changes in the economy and financial system.
 - (b) Approve the risk appetite, business plans and any other initiatives which would, singularly or cumulatively, have a material impact on the Company's risk profile.
 - (c) Oversee the selection, performance, remuneration and succession plans of the CEO;
 - (d) Oversee the governance arrangements, including Shariah governance, which should promote transparency and accountability in the management and decision-making processes within the Company, and ensure that the CEO effectively implements the governance arrangements across all functions;
 - (e) Oversee the implementation of the internal control framework, and periodically review whether these remain appropriate in light of material changes to the size, nature and complexity of the Company's operations.
 - (f) Oversee the development and effective implementation of a performance measurement framework that aligns with its objective;

- (g) Promote, together with the CEO, a sound corporate culture within the Company which reinforces ethical, prudent and professional behaviour. This shall include ensuring that the CEO establishes, implements and monitors policies and procedures that prevent activities and relationships that are inconsistent with sound governance, effectively address conflicts of interest situations, strictly prohibit corrupt practices and ensure arm's length dealings with connected parties and other interested entities;
- (h) Promote sustainability through appropriate environmental, social and governance considerations in the Company's business strategies;
- (i) Oversee and approve the business continuity plans for the Company to restore its financial strength, and maintain or preserve critical operations and critical services when it comes under stress;
- (j) Promote through appropriate communication policies and practices, timely and effective communication between the Company and its stakeholders on matters affecting or that may affect the safety, soundness and objective of the Company;
- (k) Promote Shariah compliance in accordance with expectations sets out in Bank Rakyat's Shariah Governance Framework ("SGF"), where relevant and ensure its effective integration with the Company's business and risk strategies.
- (l) Act in the best interest of the Company, free from any undue external influence which could undermine the Company's objectives and financial soundness.
- (m) Evaluate the training needs of Directors on a continuous basis and identify areas for professional development and process improvements to support the Board members to ensure that each Director possesses the knowledge and skills necessary to fulfil their responsibilities;
- (n) Maintaining oversight and governance assurance over the execution of frameworks and policies, implementing awareness programs among staff to promote an anti-fraud culture and corporate integrity, and directing the formulation of structured mechanisms for governance of fraud management and corporate integrity.
- (o) Ensuring the continuous operation of the Company is the top priority for the Board. If any laws or regulations contradicting the Company's business or operations arise, the Board shall promptly inform the regulators and/or relevant stakeholders about the situation and present any mitigation plans to address the issue.
- (p) Submission of monthly financial reports to the holding company, in compliance with relevant regulations and accounting standards. Additionally, any material transactions or events, such as acquisitions, disposals, significant expenditures, or regulatory issues, must be promptly reported to the holding company as per applicable policies and procedures to ensure proper oversight and compliance.

4.3 Interaction with the Shariah committee

- 4.3.1 The Board must have due regard to any decisions or advice of the Shariah Committee ("SC") on any Shariah issues relating to the operations, business, affairs or activities of the Company.
- 4.3.2 The Board must establish effective communication with the SC on all matters relating to Shariah requirements, Shariah governance or Shariah non-compliance risks to enable both parties to effectively discharge respective responsibilities under the relevant provisions of the Shariah Governance Framework.

- 4.3.3 In this respect, the Board must clearly define its relationship with the SC. While the SC has distinct responsibilities in relation to Shariah matters, the Board remains responsible for the direction and control of the Company's business and risk strategies. The Board may engage with the SC, if needed, to ensure the Company upholds ethical standards and improves its practices.

5 Matters reserved for the Board's deliberation and approval

- 5.1 The Board also maintains a formal schedule of matters reserved for its deliberation and approval, which includes matters related to the following:

5.2 Business strategy

- 5.2.1 Review and approve changes to the organisation structure.

Review and approve the business strategies, business plans and significant policies, which should take into account the sustainability of the business, with attention given to the environmental, social and governance aspects of the business and the impacts of its operations and activities on the communities it operates in.

- 5.2.2 Approve investment or divestment, with the consent of the holding company, where relevant and in accordance with the relevant legislative provisions.

- 5.2.3 Approve major changes in nature of the principal activities with the consent of the holding company.

- 5.2.4 Approve policies in all material aspects and/ or adopt Group policies including, but not limited to, authority limit, human resource and manpower, remuneration scheme, procurement related policies.

- 5.2.5 Approve the Company's delegated limits of authority and its revision therein.

5.3 Financial matters

- 5.3.1 Approve annual budget, including capital expenditure;

- 5.3.2 Approve major capital commitments, capital management, acquisitions and divestitures, with the consent of the holding company;

- 5.3.3 Approve adoption of accounting policies in line with the Malaysian Financial Reporting Standards;

- 5.3.4 Approve financial statements; and

- 5.3.5 Determine the amount of dividends to be paid in accordance with the legislative provisions.

5.4 Risk management and audit

- 5.4.1 Select, appoint and terminate the appointment of the external auditor; and

- 5.4.2 Oversee the evaluation of the performance of the external auditor and on an ongoing basis, ascertain the independence of the external auditor.

5.5 Appointment and remuneration of Directors and Chief Executive Officer

- 5.5.1 Review and approve the appointment, job grade, promotion, remuneration, compensation and removal of CEO.
- 5.5.2 Review and approve and/or adopt Group policies relating to staff benefits, code of conduct, performance appraisal procedures, whistle-blowing procedures, disciplinary action procedures and grievance procedures, including appropriate communication and feedback channels, that would encourage employees and other stakeholders to bring out information helpful in enforcing good corporate governance practices.
- 5.5.3 Establish and regularly review succession plans to promote Board and CEO renewal and address unplanned vacancies.
- 5.5.4 Review and approve policies and programmes for succession planning to ensure an orderly transition and ensure that candidate appointed as CEO possesses sufficient calibre and competency. Monitor the CEO's performance on an on-going basis.

5.6 Compliance and legal

- 5.6.1 Review and approve the compliance framework to ensure the operation is in compliance with relevant laws, statutory acts, Shariah principles and internal policies;
- 5.6.2 Review and approve the appointment, powers and removal of corporate representatives and lawful attorneys acting on behalf of the Company; and
- 5.6.3 Review and approve Management's responses to the regulatory authorities in relation to compliance with regulatory requirements.

5.7 Disclosure

- 5.7.1 Ensure that the financial statements are prepared for each financial year and that it gives a true and fair view of the state of affairs of the Company;
- 5.7.2 Establish a communications policy that enables both the Board and CEO to communicate effectively with its shareholders, the stakeholders and the public;
- 5.7.3 Ensure compliance with corporate governance disclosure requirements as required being the subsidiary of an entity regulated by BNM, ensuring that disclosures are accurate, clear, and easily understood by shareholders, customers, and relevant stakeholders. Such disclosures must include information relating to its governance policies and practices pertaining to the Board composition, function and conduct, internal control framework, remuneration (quantitative and qualitative) and the performance management framework. In the event of any identified gaps, a summary is to be provided detailing the particulars and reasons for these gaps together with a description of the measures taken, or that will be undertaken, to address these gaps;
- 5.7.4 Ensure corporate governance disclosure are laid before its annual general meeting as part of the directors' report and publish on website; and
- 5.7.5 Publish the updated Board composition, Constitution and Board Charter on the website.

- 5.8 The matters reserved above are non-exhaustive and should be referred to the relevant governing documents and /or any other applicable policies.

6 Board Committees

- 6.1 The Board leverages the relevant Board Committees of Bank Rakyat, to assist the Board in discharging their duties, within clearly defined roles and responsibilities as set out in charter of each of the Committees. However, the Board shall remain fully accountable for any recommendation made by the Board Committees.
- 6.2 The Board leverages on the following Bank Rakyat Board Committees:
- (a) Board Nomination and Remuneration Committee;
 - (b) Board Risk Committee; and
 - (c) Board Audit and Examination Committee.
- 6.3 The existence of the Board Committees does not diminish the Board's ultimate responsibility over the functions and duties of these Board Committees. The Board Committees shall report to the Board on their deliberations, findings and recommendations. Decisions shall be made by the Board, unless delegated by the Board.

7 Group Governance

- 7.1 The Company must fulfil its legal and governance responsibilities as a separate entity, despite being part of a prudentially regulated Group. The Board and key management personnel of are responsible for ensuring that the Group's objectives, strategies, governance framework, and policies align with regulatory obligations and prudential management, while also addressing specific risks during the implementation of group-wide policies.

8 Code of conduct for the Board

8.1 Code of Ethics for Directors

- 8.1.1 Board members must observe the highest standards of ethical behaviour. All Directors shall be guided and shall observe the Bank Rakyat's Group Code of Ethics and Business Conduct.
- 8.1.2 A Director must not engage in any conduct likely to bring disrepute to the Company.
- 8.1.3 A Director has the obligation, at all times, to fully comply with the principles and provisions set forth in this Code of Conduct.
- 8.1.4 The Code of Ethics and Business Conduct shall provides for declarations of assets by the Board and procedures for dealing with gifts from external parties to avoid conflict of interest situations.

8.2 Director's time commitment

- 8.2.1 By accepting the appointment, Directors shall confirm their time commitment to the Board and must notify the Board before accepting any other new Directorships, which includes an indication of time that will be spent on the new appointment.

8.2.2 The Director shall commit sufficient time to the affair of the Company. Any prospective acceptance of other directorships will be upon notification and consultation with the Board.

8.2.3 Directors shall not be active politicians within the meaning of the Bank's Code of Ethics and Business Conduct.

8.3 **Conflict of interest**

8.3.1 Directors are expected to avoid any action, position or financial interest that conflicts with an interest of the Company or gives the appearance of a conflict.

8.3.2 A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare his interest.

8.3.3 The Director concerned shall not participate in deliberations and shall abstain from casting votes in any matter arising thereof unless as otherwise provided.

8.3.4 A Director must be independent in judgement and actions and take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.

8.3.5 A Director must not allow personal interests or the interest of any associated person to conflict with the interests of the Company.

8.4 **Duty of care and diligence**

8.4.1 A Director must act honestly, in good faith and use care and diligence in fulfilling the functions of his office and exercising the powers attached to that office for a proper purpose, in the interests of the Company as a whole.

8.4.2 A Director must not take improper advantage of the position of Director.

8.4.3 A Director must not make improper use of information acquired as a Director.

8.4.1 Confidential information received by a Director in the course of the exercise of the duties as a Director remains the property of the Company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the Company, or the person from whom the information is provided, or is required by law.

8.5 **Whistleblowing Policy**

8.5.1 The Company has adopted the Bank Rakyat's Whistleblowing Policy that sets out avenues for legitimate concerns to be objectively investigated and addressed. Individuals must be able to raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal.

8.5.2 The Whistleblowing Policy ensures that business and operations are conducted in an ethical, moral and legal manner. This policy as an avenue for all employees, interns, consultants, contractors, vendors, suppliers and/or customer to disclose any illegal, unethical questionable practices or improper conduct committed or about to be committed within the Company. The disclosure shall be treated in strict confidence and without any risk of reprisal. Scope of reporting any irregularity and improper conduct including but not limited to:

- (a) Fraud or dishonesty
- (b) Breaches of policies, procedures and applicable
- (c) Laws and Regulations
- (d) Bribery or corruption
- (e) Abuse of power
- (f) Conflict of interest
- 9 Theft or embezzlemen
- (g) Misuse of Company's Property and information
- (h) Harassment, sexual harassment and/or
- 10 Intimidation.

Section B: Roles of the Chairman, Directors, Chief Executive Officer (CEO) and Company Secretary

9. Role of the Chairman

- 9.1 The Chairman has a key leadership role in the conduct of the Board and its relationship with shareholders and other stakeholders. The Chairman shall facilitate the flow of information between the Board members and the Management, and in consultation with the CEO, sets the agenda for each Board meeting.
- 9.2 The role of the Board Chairman is to:
 - 9.2.1 Providing leadership for the Board so that the Board can perform its responsibilities effectively;
 - 9.2.2 Smooth functioning of the Board, the governance structure and inculcating positive culture in the Board;
 - 9.2.3 Appropriate guidelines, policies and procedures are in place to govern the Board's operation and conduct;
 - 9.2.4 All relevant issues are on agenda for Board meeting and all directors are able to participate fully in the Board's activities;
 - 9.2.5 Decisions are taken on a sound and well-informed basis, including by ensuring that all strategic and critical issues are considered by the Board;
 - 9.2.6 Board receives the relevant information on a timely basis from the management;
 - 9.2.7 Avenues are provided for all directors to participate openly and encourage healthy discussion and that dissenting views can be freely expressed and discussed; and
 - 9.2.8 Lead efforts to ensure the developmental needs of the Board are being addressed.

10. Role of the Board of Directors

- 10.1 The effective participation of the Board of Directors can enhance accountability in the Board's decision-making process and is essential for protecting the interests of members by bringing in the quality of detached impartiality.

10.2 The principal responsibilities of Directors are to:

- (a) Provide and enhance the independence and objectivity of the Board;
- (b) Ensure effective check and balance on the Board;
- (c) Mitigate possible conflicts of interest between the policy making process and the day-to-day management of the Company;
- (d) Constructively challenge and contribute to the development of business strategy and direction of the Company; and
- (e) Ensure that adequate systems and controls are in place to safeguard the interests of the Company.

10.3 A director representing the interest of a stakeholder on the Board of the Company shall have the same duties and responsibilities as other Board members, to act in the best interest of the Company. In the event of any conflict between his duty to act in the best interest of the Company and his duty to the stakeholder which he is representing, his duty to the Company will prevail.

11. Role of the CEO

11.1 The CEO heads the Company and assumes the overall responsibility for the execution of the Company's strategy.

11.2 The CEO, within all specific authorities delegated to him/her by the Board, is responsible in carrying out the Board's directions, managing the businesses of the Company and driving performance, in accordance with the strategic goals approved by the Board.

11.3 The key roles of the CEO are to:

- (a) Develop the strategic direction of the Company;
- (b) Ensuring that the strategies and corporate policies are effectively implemented;
- (c) Ensuring that Board decisions are implemented and Board directions are responded to;
- (d) Providing directions in the implementation of short and long-term business plans;
- (e) Providing strong leadership that is, effectively communicating a vision, management philosophy and business strategy to the employees;
- (f) Keeping Board fully informed of all important aspects of the Company's operations and ensuring sufficient information is distributed to Board members; and
- (g) Ensuring the day-to-day business affairs of the Company are effectively managed.

11.4 The CEO is only allowed to hold directorships in the holding company, subsidiaries, associates, sister companies and their subsidiaries in non-executive capacity and should not be more than five posts at any one time.

11.5 The CEO is allowed to hold directorships in institutions or organisations to represent the interest of the Company, not-for-profit organisations and statutory bodies/government-owned companies and the number of such directorships will not be taken into account in computing the maximum limit of five.

12. Role of the Company Secretary

- 12.1 The Board shall appoint the Secretary of the Company (the “CS”) who plays an important advisory role and ensures that the CS fulfils the functions for which he has been appointed in supporting the effective function of the Board. The appointment and removal of the CS shall be subject to the Board’s approval.
- 12.2 The CS shall be the Secretary of the Board. CS shall always keep confidential the affairs of the Company and its officers. Accordingly, where the CS also serves as CS for the Company’s affiliates, he/she shall not disclose the affairs of the Company or its officers to the affiliates except with the knowledge and consent of the Company.
- 12.3 The CS shall be responsible for the co-ordination of relevant Board matters such as agendas, Board papers, minutes, communication with regulatory bodies and all statutory and other filings. The primary responsibilities of the CS include the following:
- (a) Facilitate the induction of new Directors and assist with each Director’s professional development;
 - (b) Provide advice on corporate governance matters and facilitate information flows between members of the Board and the Board Committees, and between the Directors and the Management team;
 - (c) Facilitate information flow between members of the Board and the Board Committees, and between the Directors and the Management team;
 - (d) Co-ordinate the timely completion and despatch of the Board agenda and briefing materials, minutes and communication with regulatory bodies on corporate governance matters;
 - (e) Maintain records of meetings of the Board and ensure effective management of such records;
 - (f) Prepare minutes to document Board’s proceedings and ensure that outcomes of such proceedings are accurately recorded;
 - (g) Timely disseminate the information relevant to Directors’ roles and functions and keep the Directors updated on new or evolving corporate governance requirements; and
 - (h) Carry out other functions as deemed appropriate by the Board from time to time.
- 12.4 All Directors shall have direct access to the advice and services of the CS.
- 12.5 The CS must not have competing time commitments that may impair his ability to discharge his duties effectively and must devote the whole of his professional time to the affairs of the Company and its affiliates.

13. The Chairman - CEO relationship

- 13.1 The roles of the Chairman and CEO shall be distinct and separate with a clear division of responsibilities of the Chairman and the CEO. The Chairman of the Board should not have an executive position or responsibility in the Company.
- 13.2 By having a non-executive position, the Chairman assumes an important role in encouraging a healthy debate on critical issues and brings to the Board the required level of independence and professional scepticism.
- 13.3 The CEO is entrusted with the overall management and control of the operational aspects of the Company’s business.

Section C: Board processes

14. Appointment, re-appointment and removal of directors

- 14.1 The appointment, reappointment, and removal of directors shall be conducted in accordance with the Group's Board Nomination and Appointment Framework ("BNAF") and Board of Director Policy, which provides a clear and transparent nomination and appointment process adopting BNM's Fit and Proper criteria.
- 14.2 Each Director must be assessed against the requirements set out in the BNAF, the fit and proper requirements, and the disqualification factors under the CA 2016, at least annually, and/or as and when the Board becomes aware of information that may materially compromise the director's fitness and propriety, or any circumstance that suggests that the director is ineffective, errant or otherwise unsuited to carry out his/her responsibilities.

15. Limitation on External Commitment

- 15.1 Each Director must not hold more than five (5) directorships in listed companies and fifteen (15) directorships in non-public listed companies. This is to ensure that his/her competing time commitment will not impair his/her ability to discharge his/her duties effectively.
- 15.2 If a Director holds position on the Board of entities within the same Group, their directorship shall be considered as one directorship.

16. Performance and assessment

- 16.1 On an annual basis, the Board through NRC shall objectively evaluate the performance and effectiveness of the Board, Board Committees and Individual Directors.
- 16.2 The Board shall periodically engage independent experts to conduct this exercise, to assist in and lend objectivity to these exercises.

17. Tenure of Directors

- 17.1 The appointment of the Chairman and other Director shall be for period not exceeding two (2) years and any such appointee shall be eligible for reappointment. This is supported by the annual assessment of the Director's performance.
- 17.2 A Board representative from Bank Rakyat shall automatically cease to be a director of the Company upon the end of their directorship or the relinquishment of their management position within the holding company.
- 17.3 The tenure of Directors should not exceed nine (9) years, except under exceptional circumstances or as part of transitional arrangements towards full implementation of the succession plans of the Company.

18. Remuneration of Directors

- 18.1 In accordance with Section 230 of the CA 2016, the remuneration and allowances of the Directors of the Company, including Chairman shall be approved by the shareholder at a general meeting.
- 18.2 Notwithstanding the above, it is the responsibility of the NRC to develop and submit to the Board for its deliberation and recommendation, a fair and equitable remuneration package for the Directors.

19. Training and development for Directors

19.1 Induction programme for newly appointed Directors

- 19.1.1 Newly appointed Directors are to attend an induction programme where they will be briefed by Management on the organisational structure and business operations of the Company. Such induction is to take place within three months of the Director's appointment.

19.1.2 Details on the induction process are stipulated in the BNAF.

19.2 On-going training and development

- 19.2.1 The Board shall ensure sufficient resources and adequate budget towards the training and development needs of the Directors.
- 19.2.2 The Board shall evaluate, on a continuous basis, the training needs of its Directors and identify the areas of training which would benefit the Board in meeting the challenges of leading the Company.
- 19.2.3 Results from the Board Assessments, namely the Directors' skill sets assessment, shall provide indicators on the training needs of the Directors. Identified training needs shall be acted upon to further equip that Director with the knowledge and skills necessary to fulfil his/her responsibilities.
- 19.2.4 Details on the training and development process are in the Board Education Programme in the BNAF.

20. Board meetings

20.1 Proceedings

- 20.1.1 The Chairman in leading the Board, is responsible, in consultation with the CEO and the CS, for the conduct of all matters at Board meetings. This includes being satisfied that agendas items are comprehensive, appropriate and that the matters for consideration and recommendations made by the Board fit within the broad strategic direction set by the Board.
- 20.1.2 The CS shall call for a meeting of the Board whenever directed to do so by the Chairman. In the event the approval from the Chairman cannot be obtained, the request shall be approved by the majority of the Directors.

20.2 Frequency of meeting

20.2.1 The Board shall meet as often as is necessary but at least six (6) times in a calendar year.

20.2.2 In the event that a meeting cannot be held due to any reasonable circumstance, prior approval from the Chairman must be obtained before rescheduling the meeting.

20.3 Notice of meeting

20.3.1 Unless otherwise agreed by the Directors, the notice of each meeting confirming the venue, date and time together with the brief agenda of the meeting is given to the Directors not less than seven days prior to the date of the Board meeting.

20.3.2 Detailed agenda and briefing materials (where applicable) are distributed to the Directors in a timely manner prior to the date of the Board meeting.

20.4 Attendance at Board meetings

20.4.1 Each 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 a Board meeting on his behalf such as an alternate director.

20.4.2 If the Chairman is unable to attend a Board meeting, the Directors present may elect any one of them to be the chairman of the meeting.

20.4.3 Any employee of the Company, who may possess information that is useful to the Board, may be invited to attend Board meetings and must be available to be contacted by Directors prior to or between the meetings.

20.4.5 The Board may invite a member of the Shariah Committee to attend a meeting of the Board, if deemed necessary.

20.4.6 The Chairman and/or other Directors must be available to meet with governmental and/or regulatory bodies, if required, to explain, seek clarification or follow up on any matter deliberated at Board meetings.

20.5 Quorum and participation

20.5.1 At least 50% of the Board members should be present at a meeting to constitute a quorum provided that:

- (a) a Director who has interest in a contract or proposed contract or transaction or arrangement or is involved directly or indirectly in any matter under consideration by the meeting, shall not participate in decisions; and
- (b) a Director participating in the meeting via tele-conferencing device is counted for the purpose of determining a quorum.

20.6 Minutes of meetings

20.6.1 The Company Secretary shall record minutes of the proceedings and resolutions passed at Board meetings.

- 20.6.2 The minutes must be clear and accurate, reflecting the Board's decisions, including key deliberations, rationale for each decision, and any significant concerns or dissenting opinions. Minutes must also record instances where directors abstained from voting or recused themselves from deliberating on a particular matter.
- 20.6.3 Minutes of all meetings are to be signed by the Chairman or the Chairman of the meeting.
- 20.6.4 Minutes of all Board meetings are to be circulated to Directors and confirmed as correct by the Board at the subsequent meeting.

20.7 Voting

- 20.7.1 A matter put to vote at Board meetings is decided by a majority of the votes cast and in the event of an equality of votes, the Chairman of the meeting has the casting vote.
- 20.7.2 A Director is required to abstain from deliberations and voting in respect of any contract or proposed contract or arrangement in which he/she has direct or indirect interest.

20.8 Declaration of conflict of interest

- 20.8.1 A Director shall make the disclosure by way of a written notice to all members of the Board and the Company Secretary:
- (a) As soon as is practicable after being aware of his interest in the material transaction or arrangement; and
 - (b) If the material transaction or arrangement is being deliberated at a Board meeting, before the commencement of that deliberation.
- 20.8.2 At the commencement of the meeting, the Company Secretary ascertains the existence of conflicts of interest and minutes them accordingly.

20.9 Circular resolution

- 20.9.1 Decisions of the Board may be made by circular resolution in between scheduled meetings. A resolution in writing, signed and/or approved by all the Directors via hardcopy and/or any other appropriate means of communication and entitled to receive notice of a meeting of the Directors, is valid and effectual as if it has been passed at a meeting of the Directors duly convened and held.
- 20.9.2 All circular resolutions are to be notated at the subsequent Board meeting.
- 22.9.3 The Board is to refrain from using circular resolutions to approve complex matters and/or financial matters requiring rigorous discussion and consideration except with approval from the Chairman, the.

Section D: Administration

21 Review of Charter

- 21.1 This Charter including any amendments in future is to be approved by the Board.

- 21.2 The Board shall review this Charter periodically, to ensure it remains consistent with the Board's objectives and responsibilities.
- 21.3 The Company Secretary shall ensure that the provisions of Charter continue to comply with corporate governance requirements applicable to the Company and, if necessary, shall suggest amendments to the Charter for consideration by the Board.

22 Publication of Charter

- 22.1 Key features of this Charter are to be published at the website.

(Approved by the Board on: 29 November 2024)

Revision Record			
No.	Revision No.	Endorsed by	Revised by (Name, Department)
1			
2			
3			
4			