

## **BOARD CHARTER**

### **1. INTRODUCTION**

The Board of Directors of Land & General Berhad (“Group” or the “the Company”) is fully committed to the principles and best practices of the Malaysian Code of Corporate Governance (“MCCG”) issued by the relevant regulators from time to time. The Board of Directors will continuously strive to ensure good corporate governance practices are carried out throughout the Group, where applicable, and to ensure the inculcation of good ethical practices and high standards of the Code of Conduct by Directors.

The Board is accountable and responsible for the performance and affairs of the Company and is committed to provide the leadership in enhancing board effectiveness through strengthening our Board’s composition and reinforcement of independence.

### **2. OBJECTIVES**

This Board Charter shall constitute and form an integral guide on the role for the Directors in discharging their duties and responsibilities and to provide them with a clear understanding of the relationship with the Management and Shareholders, and in particular the oversight over management, setting strategic directions, accountability and transparency together with a framework of prudent and effective controls which enables risk to be assessed and managed, thus propelling the company towards sustainability and prosperity.

### **3. THE BOARD**

#### **3.1 Roles and Responsibilities**

- 3.1.1 The Board shall oversee the management the Company so that the Company operates in an effective and responsible manner. The executive Directors are responsible for the Group's operations and each Director has differentiated corporate accountability.
- 3.1.2 The Board shall have all powers necessary for managing and for directing and supervising the management of the business and affairs of the Company subject to the limitation of the Companies Act, 2016 or the Constitution (Memorandum and Articles of Association) of the Company. The Board members shall at all times exercise their powers for a proper purpose and in good faith in the best interest of the L&G Group.
- 3.1.3 The Board assumes the following specific duties:-
- a) establishing and reviewing the strategic direction and plans of the Group;
  - b) monitoring the implementation of strategic plans by Management;
  - c) overseeing and evaluating the conduct of the businesses of the Group, and performance of management;
  - d) identifying and evaluating principal risks (corruption risks included) and ensure that the risks are effectively and efficiently managed with a sound risk management framework;
  - e) reviewing the adequacy and effectiveness of the risk management and internal control system and actions taken to remedy weaknesses identified;
  - f) establishing a succession plan;
  - g) developing and implementing investors' relations programme and shareholder and stakeholder communication policy;
  - h) ensuring adequacy and integrity of management information system and internal control system;
  - i) formalise ethical standards of conduct through a Code of Conduct for Directors and Management, and ensure compliance;
  - j) ensure the Company's strategies promote sustainability;

- k) ensure the Board is supported by at least a suitably qualified and competent Company Secretary to whom the Directors/Chairman shall have access for advice;
- l) to review and ensure the appointment, resignation/termination of Directors, Company Secretaries, Auditors and key Company Executives are properly carried out and documented; and
- m) ensure a sustainable anti-corruption programme is in place and adequate resources are assigned to implement the programme.

#### **4. BOARD AND MANAGEMENT**

Board members have complete access to the Group's Management and shall have unrestricted access to the information pertaining to the Company and or Group including the Company's Auditors and consultants. Board members shall use judgement to be sure that this contact is not distracting to the business operations of the Group and that such contact, if in writing be copied to the Managing Director or Chairman.

The Board encourages Management to involve senior executives and managers in Board Meetings who can provide additional insights in board discussions because of their involvement in operational and executive areas as well as giving these management and executive staff an opportunity to understand and appreciate how Board works. The following authorities and matters are specifically reserved for the collective decision of the Board, and may be varied from time to time as determined unanimously by the Board:-

- (i) the Board has established written policy determining which issues would require a decision of the full Board and which issues can be delegated to the Board Committees or Management.
- (ii) the Board reserves full decision-making powers on the following matters:-
  - a) conflict of interests relating to substantial shareholder or a Director or persons connected to the Director, and whether a general meeting to approve a transaction or a contract is required;
  - b) material acquisitions and disposition of assets not in the ordinary course of business, which may require approval by shareholders;
  - c) investments in capital projects;

- d) authority levels;
- e) treasury policies;
- f) risk management policies; and
- g) key human resource issues.

The Board may seek independent professional advice in furtherance of their duties at the Company's expense. If a Director considers that such advice is necessary, he shall first discuss the issue with the Chairman and, having done so, shall be free to proceed, but subject to proper notification of the subject matter and the identified professional adviser be given to the Company Secretary for the board to decide, with the recommendation of the Chairman.

## **5. BOARD COMPOSITION AND BOARD BALANCE**

The composition of the Board should be well balanced with qualified individuals having diverse experiences, background and perspectives, so as to reflect as much as possible the Board's ability to be effective in carrying out and discharge the responsibilities and duties legally under the various laws, regulations and rules. The Board is committed to ensure good governance practices as recommended under the MCCG. To achieve the aforesaid:-

- (a) The size of the Board shall not be less than two and not more than twelve as stipulated in the Company's Constitution (Articles of Association), and in compliance with the Listing Requirements of Bursa Malaysia, at any time, at least 2 Directors or 1/3 of the Board, whichever is higher, are Independent Directors. The definition of Independent Directors follows that of Paragraph 1.01 of the Bursa Malaysia Main Market Listing Requirements.
- (b) The roles of the Chairman and the Managing Director are clearly defined. The Managing Director and the Executive Director are the "Executive" Directors on the Board. However, the views of Management are represented at meeting of the Board by the presence of the Senior Managers or any designated personnel when required.
- (c) The Independent Directors provide independent judgement, views and opinions and are free from any business or other relationship with the Company and Board members who could interfere with their exercise of independent judgement in

decision making or their ability to act in the best interest of the Group. An independent director as provided under the listing Requirements must be a person who:-

- (i) is not an executive director of the Company or any related corporation of the Group;
- (ii) has not been within the last two (2) years, and is not an officer of the Company (except as a non-executive director);
- (iii) is not a major shareholder of the Company;
- (iv) is not acting as a nominee or representative of any executive director or major shareholder of the Company; or
- (v) has not been engaged as a professional advisor by the company under such circumstances as prescribed by Bursa Malaysia or is not presently a partner, director (except as an independent director) or a major shareholder, as the case may be, of a firm or corporation which provides professional services to the company under such circumstances as prescribed by Bursa Malaysia;

The Independent Director's tenure should not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, an independent director may continue to serve on the Board subject to the director's re-designation as a non-independent director. Alternatively, in exceptional cases, a director may be retained as an independent director after a cumulative term of nine (9) years, subject to:-

- (a) assessment of the Nominating Committee; and
- (b) the Board making a recommendation and provide strong justification for shareholders' approval in a general meeting.

## **6. APPOINTMENTS & REMOVAL**

The appointment of a new director is a matter for consideration and decision by the Board of Director upon appropriate evaluation and recommendation from the Nominating Committee.

New directors are expected to have such expertise that complements the experiences, backgrounds and perspectives of the Board as a whole and also to make a positive contribution to the Board performance of its duties. The Board shall be responsible for the appointment and termination of services of the Company Secretary or Secretaries, including the appointment of senior executive positions, the Managing Director's service contract.

In order to foster commitment, Directors should devote sufficient time to carry out their responsibilities. In ensuring this is achieved, the Board shall set out expectations on time commitment for new board members on appointment date and for Directors to notify the Chairman before accepting any new directorship, where such notification should indicate time that will be spent on the new appointment.

### **6.1 Re-election**

All Directors are subject to retirement by rotation in accordance with the Company's Constitution (Articles of Association) and the Listing Requirements.

The Constitution (Articles) also provide that one-third of all the director shall retire from office at every AGM and, if eligible, may offer themselves for re-election by shareholders. The election of each director is voted on separately at the shareholders meeting.

## **7. CHAIRMAN AND MANAGING DIRECTOR**

The Constitution (Articles of Association) provides that a Chairman be appointed from amongst the Board members to head the Board and be responsible for the effectiveness of the Board. The Company aims to ensure that the decision-making process is unbiased and independent views are well considered. The role of the Chairman and the Managing Director are clearly defined, with each carrying out his duties and responsibilities within the Company.

## 7.1 Chairman

The Chairman of the Board is an Independent Non-Executive Director, and he is primarily responsible for the orderly conduct and function of the Board. The Chairman is appointed from amongst the members of the Board of Directors to lead the Board and is responsible for ensuring the effectiveness of the Board. The Chairman is responsible for:

- a) leading the board in achieving corporate objectives and long term success of the Group;
- b) keeps under review, the contributions made by Board members, whilst the Nominating Committee is given the task to review effectiveness in terms of performance, and come out with criteria on independence assessment;
- c) facilitating effective and productive working relationships between the Executive Directors and Non-Executive Directors;
- d) ensuring effective communication with shareholders and relevant stakeholders, in particular, at the annual general meeting which represents the principal forum for dialogue and interaction with shareholders;
- e) the Chairman, in consultation with the Managing Director and the Company Secretary, sets the agenda for the Board meetings and ensures that all relevant issues are on the agenda; and
- f) the Chairman is responsible for managing the business of the Board to ensure that:
  - (i) all Directors are properly briefed on issues arising at Board Meetings;
  - (ii) sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meeting before hand to enable thorough preparation the Board discussion; and
  - (iii) the issues discussed are forward looking and concentrates on strategy.
- g) At Board meetings, the Chairman plays a mediator's role to maintain the order of the proceedings in a constructive, productive and effective manner.
- h) 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.

## **7.2 Managing Director**

The Managing Director has overall executive responsibility for day-to-day business operations and the implementation of the Board's policies and making operational decisions. He is assisted in managing of the Group's business by Management and generally to agree and meet the corporate objectives, performance targets and long-term goals set by the Board of Directors.

The Managing Director is responsible for ensuring the provision of accurate, timely and clear information relating to business and financials to the Board of Directors.

All Board authorities conferred on Management is delegated through the Managing Director and this will be considered the Managing Director's authority and accountability as far as the Board is concerned.

## **8. Directors' Orientation and Continuing Education**

Newly appointed Directors must attend the Mandatory Accreditation Programme (MAP) prescribed by the Listing Requirements and also are invited to attend an in-house orientation programme which is usually conducted after their effective appointment date.

The Directors shall continue to attend relevant training programmes conducted by external experts. Management shall, from time to time, provide updates regarding any latest amendments pertaining to the listing requirements and statutory provisions or new regulations and accounting standards imposed by the relevant authorities.

## **9. Supply of Information**

Management is responsible for providing the Board with the required information in an appropriate manner and timely manner for the Directors to discharge their duties effectively. If the information provided to the Board is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.



## **10. Code of Conduct for Directors**

The Company has adopted a Code of Conduct for Directors relating to ethical practices. Management has its own Code of Ethical Practices for staff and employees responsible in carrying out the Company's business at operational levels. The Board and Management are expected to conduct themselves with the highest ethical standards, behave ethically and professionally at all times and to protect and promote the reputation of the Company, stressing on the following key values:-

All Directors and staff of the Group are to:

- act honestly, fairly and professionally in all business dealings;
- foster a culture of integrity;
- work together to promote a safe, ethical and professional workplace;
- comply with the laws, rules and regulations under which the Company conducts its business; and
- respect the local communities wherever the Company operates.

The Board is responsible for establishing, compliance and evaluating the effectiveness of the Company's Code of Conduct for Directors.

## **11. Board Meetings**

The Chairman shall ensure that the Board meets on a regular interval throughout the year. A structured formal agenda and Board meeting papers relating to the agenda shall be circulated to all Directors at least 5 working days before each Board meeting. Dates for Board meetings are scheduled in advance before the end of the previous financial year to enable Directors to plan ahead and fit the year's meetings into their own schedules.

Board meetings are held every quarter and additional meetings are convened as and when necessary. Additional Board meetings are held when there are important corporate exercises or issues that require the urgent consideration or decision of the Board.

Amongst other, the Board papers include the following:-

- minutes of meetings of all committees of the Board;

- a current review of the business operations of the Company from the Chief Executive Officer/Managing Director;
- quarterly financial reports, reports on cash flow and borrowing positions, budgets and other financial reports;
- Directors' Securities dealings, including public share-spread;
- reports on related party transactions and recurrent related party transactions;
- annual management plans;
- sustainability reports on environmental, social and other Safety and Health aspects with a view to enhancing investors' perception and public trust;
- report on key business risks, the development of and progressive monitoring of a sound framework of internal controls and regulatory compliance; and
- any other matters relating to changes of laws, regulations and rules of government agencies.

In addition, the Board shall, review the following, circulated in Board meeting papers:-

- goals of the company and the Group;
- strategic issues for achieving the stated goals;
- annual operational plan and budget;
- chief Executive Officer's/Managing Director's annual performance and remuneration;
- remuneration policies recommendations by the Remuneration Committee; and
- recommendations by the Nominating Committee on board composition, structure and succession.

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 should clearly reflect this.

## **12. BOARD COMMITTEES**

To assist the Board in the discharge of its duties effectively, the Board has delegated certain functions to the following Committees, each operating within clearly defined terms of reference.

- ❖ Audit Committee (**APPENDIX I**);
- ❖ Nominating Committee (**APPENDIX II**);
- ❖ Remuneration Committee (**APPENDIX III**); **AND**
- ❖ Risk Management Committee (**APPENDIX IV**).

### **12.1 AUDIT COMMITTEE**

The Audit Committee is established by the Board of Directors to assist in fulfilling the statutory and fiduciary responsibilities in the assessment and evaluation of the Group's management and financial reports of the performance of business, accounting policies, risk and internal controls. The Audit Committee serves as an independent and object party in the review of the financial information presented by Management before distribution to all shareholders and stakeholders. It ensures that the financial statements comply with applicable accounting standards and also provide direction over the internal audit function and relationship with external auditors to ensure independence from Management.

The composition, roles and responsibilities are stated in the terms of reference of the Audit Committee provided in **APPENDIX I**.

### **12.2 NOMINATING COMMITTEE**

The Nominating Committee is established by the Board of Directors and is authorised to identify and recommend the appointment of new Directors to the Board.

The composition and roles of the Nominating Committee are stated in the terms of reference of the Nominating Committee provided in **APPENDIX II**.

### **12.3. REMUNERATION COMMITTEE**

The Remuneration Committee is established by the Board of Directors, primarily to determine the remuneration package of Managing Director by giving due consideration to compensation levels comparable with similar functions of other

listed companies, and in line with the company's performance. The Company aims to set remuneration levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration the function, workload and responsibilities. The composition and roles of the remuneration committee are stated in the terms of reference of the Remuneration Committee provided in **APPENDIX III**.

#### **12.4 RISK MANAGEMENT COMMITTEE**

The Risk Management Committee is established by the Board of Directors, primarily to assist the Board in the effective discharge of its primary responsibilities of reviewing the process in identifying, managing, evaluating and monitoring principal risks as well as overseeing the implementation of appropriate systems and risk assessment process to manage such risks of the Group. The composition, roles and responsibilities and other relevant matters are stated in the terms of reference of the Risk Management Committee provided in **APPENDIX IV**.

### **13. THE SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR**

The roles and responsibilities of the Senior Independent Non-Executive Director include:

- (a) ensure all Independent Non-Executive Directors have an opportunity to provide input on the agenda, and advise the Chairman on the quality, quantity and timeliness of the information submitted by Management that is necessary or appropriate for the Independent Non-Executive Directors to perform their duties effectively.
- (b) consult the Chairman regarding Board meeting schedules to ensure the Independent Non-Executive Directors can perform their duties responsibly and with sufficient time for discussion of all agenda items.
- (c) serve as the principal conduit between the Independent Non-Executive Directors and the Chairman on sensitive issues, for example issues that arise from 'whistleblowing'.

(d) serve as a designated contact for consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact with the Chairman/Managing Director.

#### **14. GENDER POLICY**

The Board supports gender diversity as part of the agenda in achieving boardroom diversity as the Board acknowledges and embraces that a wide range of perspectives is critical to effective corporate governance and strategic decision making in the fast changing business environment.

The Company does not practise any gender biasness. Any new appointment to the Board shall always be based on merits, capability, experience, skill-sets and integrity.

#### **15. WHISTLE-BLOWING AND PROCEDURES**

The Company has developed a Whistle-blowing Policy and Procedures. The purpose of this Whistle-blowing Procedures is to provide an avenue for all Directors, employees and members of the public to disclose any improper conduct in accordance with the procedures as provided under this policy and to provide protection for whistleblowers. At the same time it will enable the Group to intervene and investigate any concerns relating to improper conduct through internal channel. Such misconduct would include the following:-

- Fraud;
- Corruption;
- Improprieties in matters of financial reporting;
- Unauthorised or misuse of Company's properties;
- Disclosure of confidential information without prior approval;
- Abuse of power and position;
- Endangerment of an individual's health and safety;
- Any action which intimidate or coerce a Director or Management or employee of the Group; or
- Concealment of any of the above or combination of the above.

In line with the Ministerial Guidelines on Adequate Procedures, the Group also encourage reporting of any inadequacies noted in its anti-bribery and corruption measures through the whistle-blowing channel.

## **16. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION**

The Board recognises the importance of timely dissemination of information to shareholders and investors to ensure that they are well informed of all major developments of the Company and the Group.

The Board ensures the timely release of its quarterly financial results to provide shareholders with an overview of the Company's performance and operations in addition to various mandatory and material announcements made during the year.

A press conference/briefing will normally be held after each General Meeting. The Managing Director or the Executive Director or Senior Management Personnel will give a press release/briefing stating the results and the prospect of the Group. Senior Management shall ensure that the information that yet to be released to Bursa Malaysia Securities Berhad will not be released to the press.

The Company's website provides easy access to corporate information and the on-going business activities of the Group and is continuously updated.

Investors / Shareholders may direct their concerns and queries to the Senior Independent Director and/or other channels provided by the Company.

The Board has established Company Disclosure Policies and Procedures (CDPP) to ensure compliance with disclosure requirements of the Main Market Listing Requirements of Bursa Malaysia. The CDPP shall be reviewed by the Board, where necessary.

## **17. GENERAL MEETINGS**

### **17.1 Annual General Meeting ("AGM")**

The AGM represents the principal forum for dialogue and interaction with shareholders. At every AGM, the Board encourages and welcomes participation from shareholders to ask questions regarding the resolutions being proposed at the meeting and also other matters pertaining to the business activities of the Group.

The Directors, Senior Management and the external auditors are required to attend AGMs to respond to questions raised by shareholders.

The Managing Director and the Executive Director or the Senior Management personnel shall give a slide presentation to the shareholders on the Group's operating and financial performance for the financial year under review which included up-to-date operating activities of the Group at each AGM.

The Company will provide a written answer to any significant question that cannot be readily answered at the meeting.

### **17.2 Extraordinary General Meeting ("EGM")**

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

## **18. RELATIONSHIP WITH OTHER STAKEHOLDERS**

In the course of pursuing the vision and mission of the Group, the Board acknowledges that practices which support corporate responsibility are keys to the sustainability of the Group. The Board believes no company can prevail by maximising the shareholder's value alone, and the needs and interests of other stakeholders must be taken into consideration. In carrying out the objectives of sustainability, the Board continuously review and update policies relating to:-

### **18.1 Employees**

The Company recognises that the employees are invaluable assets of the Group and play a vital role in achieving the vision and mission of the Group.

The Group 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 at the workplace.

### **18.2 Environment**

The Board recognises the need to safeguard and minimise the impact to the environment in the course of achieving the Group's corporate objectives.

The Group integrates the environmental dimension in project planning, development and implementation.

The Group supports initiatives on environmental issues and abide by all environmental impact laws and regulations in the course of its projects.

### **18.3 Social Responsibility**

The Board acknowledges that the Company should play an important role towards the welfare of the community in which it operates.

The Group adopts responsible marketing and advertising of its products and services.

The Group supports charitable causes and initiatives on community development projects.

## **19. APPLICATION OF THE CHARTER**

This Board Charter is:

- a) to be kept under review and updated as practices on Corporate Governance practices continuous to be developed and newer guidelines on Corporate Governance are issued by the relevant regulatory authorities;
- b) to be applied in practices by having a regard with the spirit and general principles of good governance rather than to the letter alone; and
- c) to be summarised in the Annual Report as part of a narrative statement by the Board of Directors on Corporate Governance Statement.

The Board endeavours to comply at all times with the principles and practices set out in this Charter, together with any subsequent update to the principles and practices set out in this Charter will be made available on the Company's website.



## TERMS OF REFERENCE OF AUDIT COMMITTEE

### 1. Composition

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

No Alternate Director shall be appointed as a member of the Audit Committee.

The Audit Committee will elect an Independent Director from amongst them as its Chairman.

The term of office and the performance of the Audit Committee and each of its members shall be reviewed by the Nominating Committee annually to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

### 2. Roles and Responsibilities

To review the following and report the same to the Board:

- a) with the external auditors, the audit plan;
- b) with the external auditors, the evaluation of system of internal controls;
- c) with the external auditors, their audit reports and ensuring that their recommendations regarding major weaknesses of the management are implemented;
- d) the assistance given by the employees to the external auditors;
- e) the audit fee;
- f) the quarterly results and the annual financial statements, focusing particularly on,
  - (i) changes in or implementation of major accounting policy changes;
  - (ii) significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed; and
  - (iii) compliance with relevant accounting standards and other legal requirements.
- g) any related party transaction and conflict of interests situation that may arise within L&G or its group including any transaction, procedure or course of conduct that raises questions of management integrity;
- h) any letter of resignation from the external auditors;
- i) whether there is reason (supported by grounds) to believe that the listed issuer's external auditor is not suitable for re-appointment;
- j) the nomination of external auditors;

- k) the appointment or resignation of internal auditors (head of department or chief internal auditor, if it is an in-house appointment,) or outsourced internal audit service provider;
- l) the adequacy of the scope, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work; and
- m) the internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and whether or not appropriate action is taken on the recommendations. of the internal audit function.
- n) to enhance the creditability and objectivity of financial reports with other interested parties including shareholders, regulators and creditors;
- o) to maintain, through regularly scheduled meetings, a forum for communication between the Board and Senior Management, external auditors as well as internal auditors;
- p) to avail to the external and internal auditors a private and confidential audience at any time they desire and request it through the Audit Committee Chairman, with or without the prior knowledge of Management;
- q) to act upon the Board's request to investigate and report on any issues or concerns in regards to the Management of the Group;
- r) ensure design adequacy and operating effectiveness of the internal controls in managing corruption risks;
- s) to oversee the review and investigation of whistleblowing cases; and
- t) to undertake such other functions as may be agreed by the Audit Committee and the Board.

### **3. Meetings & Attendance**

Meetings shall be held at least four (4) times a year and additional meetings are convened as and when necessary. The quorum for each meeting shall be two members present and a majority must be Independent Directors. The Managing Director, the Executive Director, the Chief Financial Officer, the Group Financial Controller, and the Internal Auditors shall normally attend the meetings. Other Board members and employees may attend the meetings upon the invitation of the Audit Committee. At least twice a year, the Audit Committee shall meet with external auditors without the presence of Management and Executive Directors. The Secretary of the Company shall be Secretary to the Audit Committee. Minutes of each meeting shall be kept and distributed to each member of the Audit Committee and of the Board.

The Chairman of the Audit Committee shall report on each meeting to the Board.

**TERMS OF REFERENCE OF THE NOMINATING COMMITTEE****1. Composition**

The Nominating Committee shall consist of not less than three (3) members which comprise exclusively Non-Executive Directors, the majority of whom shall be Independent Directors.

In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months. The Board of Directors must review the term of office and performance of the Committee and each of its members at least once every 3 years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

Chairman shall be elected by the Committee from among their members. The Chair of the Committee should be an Independent Director or the Senior Independent Non-Executive Director.

**2. Roles and Responsibilities**

The role of the Nominating Committee shall be as follows:

- a) To assess and recommend to the Board of Directors, the candidates for all Directorships to be filled by the shareholders or the Board of Directors. In making its recommendations, the Committee should consider the candidates:
  - (i) skills, knowledge, expertise and experience;
  - (ii) professionalism;
  - (iii) integrity;
  - (iv) time commitment; and
  - (v) in the case of candidates for the position of Independent Non-Executive Directors, the Committee should also evaluate the candidate's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.
- b) Consider, in making its recommendations, candidates for directorships proposed by the Chairman, Chief Executive / Managing Director and, within the bounds of practicability, by any other senior executive or any director or substantial major shareholder;
- c) recommend to the Board, Director(s) to fill the seats on Board Committees;
- d) assess annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each existing individual Director and thereafter, recommend its findings to the board;

- e) propose criteria and review training programmes for the Board of Directors and ensure that all newly appointed Directors undergo appropriate induction programs and receive continuous training suitable for directorship;
- f) review annually the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the board and thereafter, recommend its findings to the Board;
- (g) develop the criteria for recruitment process of and annual assessment of the Directors, in particular the Independent Non-Executive Directors;
- (h) apply the process as determined by the Board of Directors, for assessing the effectiveness of the Board as a whole, the Committees of the Board, and for assessing the contribution of each individual Director, including Independent Non-Executive Directors, as well as the President/Chief Executive Officer/Managing Director. All assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented;
- (i) review Board's succession plans; and
- (j) facilitate achievement of Board gender diversity policies and targets.

## **2. Meetings**

The Nominating Committee shall meet regularly to discuss issues and should record its conclusion as minutes of the Meeting. The number of Committee meetings held in a year and details of attendance of each committee member disclosed in the Annual Report of the Company. The quorum shall be two (2) members with a majority of Independent Non-Executive Directors.

The Chairman should be a Senior Independent Director who shall be appointed by the Board of Directors. The Committee shall have the services of the Company Secretary who should ensure that all appointments are properly documented and made so as to fulfil the requirements of statutory and the Main Market Listing Requirements of Bursa Malaysia and/or other regulatory authorities.

## **3. Access to Professional Advice**

In carrying out the role and responsibilities effectively, whether in full or in their individual capacity, the committee is entitled to obtain professional advice at the company's expense, if necessary and in accordance with the procedure set up by the Board of Directors.

**TERMS OF REFERENCE OF REMUNERATION COMMITTEE****1. Composition**

The Remuneration Committee comprises at least three (3) members, whom must be Non-Executive Directors. The Committee shall be appointed by the Board of Directors and for quorum of meeting, not less than 2 members of which comprising wholly or mainly Non-Executive Directors shall suffice.

The Remuneration Committee will elect an Independent Director from amongst them as its Chairman.

In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months. The Board of Directors must review the term of office and performance of the Committee and each of its members at least once every 3 years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

**2. Functions**

The Committee shall have a good knowledge of the Group and its Managing Director and/or Executive Directors, and have a full understanding of shareholders concerns in order to:

- (a) establish a formal and transparent Board remuneration policy and procedures of determining suitable, realistic and comparable remuneration policies and procedures;
- (b) provide such information as necessary with the recommendation of MCCG and Appendix 9C , Part A of the Listing Requirements of Bursa Malaysia.

The determination of the remuneration packages of Non-Executive Directors, including Non-Executive Chairman, should be determined by the Board of Directors as a whole and the individuals concerned should abstain from discussing their own remuneration.

**3. Meetings**

The Committee should meet regularly, at least once a year, with due notice of issues to be discussed and should record its conclusion in discharging its duties and responsibilities. The Committee should disclose the number of committee meetings held in a year and the details of attendance of each individual member in respect of meetings held. The quorum shall be 2 members with majority of Non-Executive Directors. The Company Secretary shall be the Secretary for the Committee.

**TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE****CONSTITUTION**

The Board-level Risk Management Committee (“RMC”) was established by the Board pursuant to its resolution on 25 November 2019.

**INTRODUCTION**

- The purpose of the RMC is to assist the Board of Directors (“Board”) in the effective discharge of its primary responsibilities of reviewing the process in identifying, managing, evaluating and monitoring principal risks as well as overseeing the implementation of appropriate systems and risk assessment processes to manage such risks within Land & General Berhad (“L&G” or the “Company”) and its subsidiaries (collectively referred to as the “Group”), in line with Section 246 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Malaysian Code on Corporate Governance and the Guidelines on Adequate Procedures [pursuant to subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission Act 2009].
- In the exercise of its functions, it is understood that the RMC is not delegated with decision-making powers but shall report its recommendations to the Board for decision. The existence of the RMC does not diminish the Board’s ultimate statutory and fiduciary responsibility for the decision-making relating to the functions and duties of the RMC.

**MEMBERSHIP**

- The RMC shall have at least three (3) members, which comprises a majority of Independent Non-Executive Directors (“INEDs”). In addition, as part of its composition, the RMC may induct an Executive Director and one (1) co-opted individual (if deemed necessary) as members.
- The appointment of a co-opted member, if any shall be premised on his/her specialised risk management credentials or expertise relevant to the industry and affairs of L&G. The appointment of a co-opted member shall be approved by the Board and formalised accordingly vide service contracts on a renewable basis, subject to performance evaluation by the NC and RC in consultation with the RMC.

- The RMC shall comprise at least one (1) member from the Audit Committee to foster a common understanding of the risk management and internal control system and in ensuring co-ordination between the various standing Board Committees of L&G in its risk oversight roles.
- Members shall be appointed based on their ability to devote time and demonstrate skills, expertise as well as experience relevant to their duties within the remit of the RMC.
- The Chairman of the RMC shall not be the Chairman of the Board, and shall be an Independent Non-Executive Director, and the members of the RMC must elect a chairman among themselves.

## **SECRETARY**

- The Secretary of the RMC (“Secretary”) shall be the Company Secretary.

## **MEETING**

### Meeting frequencies and calling of meetings

- The RMC shall meet at least (4) times a year or as often as the circumstances dictate; and
- Ad-hoc meetings or private sessions with the Management may be scheduled as considered necessary to discuss escalating and evolving risks by the RMC. The Chairman of the RMC shall call for a meeting if requested to do so by the Chairman of the Board or requested by other members of the RMC. The ad-hoc meetings or private sessions with Management shall be subjected to the applicable governance procedures including the recording of minutes.

### Quorum and participation

- The quorum for meetings of the RMC shall be three (3) members, both being Independent Directors and one of whom shall be the Chairman of the RMC;
- Each individual RMC member shall attend at least 50% of the RMC meetings held during the financial year;
- The RMC may request other Directors, members of Management, counsels or consultants to attend the RMC meetings by invitation if necessary; and

- The meetings shall convene in a face-to-face manner. If a member is unable to be present at the meeting venue, his/her participation through tele/video conference or other appropriate means is permitted and will be taken into account in constituting a quorum.

#### Notice on meetings and information flow

- Notice of a meeting shall be sent to all members in a timely manner, which should include the date, time, venue and the agenda of the meeting;
- The RMC meeting agenda shall be developed by the Chairman of the RMC and the Secretary in consultation with the Managing Director/Chief Financial Officer; and
- The Chairman of the RMC together with the Company Secretary shall ensure that sufficient information such as the agenda and accompanying meeting materials for each meeting are circulated within five business days before each meeting to the RMC members and all those who are invited to attend the meeting.

#### Voting

- Each member of the RMC is entitled to one (1) vote in deciding the matters deliberated in the meeting.
- A matter put to vote at the RMC meetings shall be decided by a simple majority of the votes cast and in the event of an equality of votes, the Chairman has the casting vote; and
- A member of the RMC who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, shall not participate in the voting process. In the case of co-opted members being enlisted in the RMC, no voting power shall be granted.

#### Meeting minutes

- The RMC shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the RMC. Draft meeting minutes shall be circulated to all RMC members within 14 business days upon conclusion of the said meetings.
- The minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive and contemporaneous evidence without any further proof of the facts thereon stated;



- All members should ensure that the meeting minutes accurately reflect the deliberations and decisions of the RMC, which includes any dissenting comments made; and
- The reproduction of any parts of the meeting minutes shall only be performed through or by the Secretary, in consultation with the Chairman of the RMC.

#### **AUTHORITY**

- Unless otherwise provided by or subject to any applicable laws or legislative requirements, the RMC shall have the permission to obtain resources with full and unrestricted access to information needed to fulfil its duties and responsibilities as set out in this Terms of Reference;
- The RMC shall have the authority (as approved by the Chairman of the Board) to obtain professional and independent advice from external advisors with relevant knowledge and experience, when it is deemed necessary; and
- The RMC shall have the authority to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the RMC.

#### **APPOINTMENT PROCESS**

- The review of the composition of the RMC shall be conducted once in every two (2) years. The RMC members shall be appointed by the Board for a term of two (2) years or such other period as may be specified by the Board from time to time, and the RMC members may be eligible for re-appointment; and
- The Board may revoke the appointment of a member and/or vary the term of appointment of a member at any time as it deems fit.

#### **DUTIES AND FUNCTIONS**

- The duties and functions of the RMC shall be to (in accordance with the approved Limits of Authority):
  - a) Determine and review the risk appetite statement so as to express the level and type of risk that L&G or its Group is willing to pursue or retain in achieving its strategic objectives;
  - b) Engage Management in an ongoing risk appetite dialogue as conditions and circumstances change and new opportunities arise;

- c) Oversee the implementation and effectiveness of the Enterprise Risk Management (ERM) framework;
- d) Review the design adequacy, implementation and operating effectiveness of the Group's anti-corruption programme and ensure weaknesses identified are acted upon;
- e) Review and monitor L&G and its Group's risk profile and risk dashboard on a regular basis to understand the critical risks (including corruption risks) faced by L&G and its Group and how they are being mitigated;
- f) Monitor changes anticipated for the economic and business environment, including consideration of emerging risks, legislative or regulatory changes, major initiatives and other factors considered relevant to L&G and its Group's risk profile;
- g) Provide advice to the Board on strategic risk analysis to ensure risk is appropriately considered in strategy-setting and business planning;
- h) Provide recommendation to the Board on the resulting risk strategies that is needed to be adopted in relation to the anticipated emerging strategic risks;
- i) Monitor the status and review the effectiveness of the implementation of key mitigating actions in addressing the critical risks identified;
- j) Oversee Management in the design, implementation and monitoring of the risk management and internal control systems. This include identifying material weaknesses and recommending areas for improvement and additional risk mitigations, where necessary;
- k) Provide oversight over project/major contracts including endorsement of contract terms (and any material amendments to such contracts) prior to acceptance and execution, as well as potential/actual disputes with counterparties;
- l) Review and provide recommendations to the Board on any business development opportunities as may be proposed by Management, ensuring that appropriate due diligence appraisal of any such proposal had been undertaken;
- m) Oversee material economic, environmental and social considerations impacting the Group vis-à-vis the strategic context and expectations of stakeholders to identify emerging issues that may affect the supply chain and operations of L&G;
- n) Co-ordinate the activities with other standing Board Committees on risk oversight to avoid overlaps in the overall risk oversight process;

- o) Ascertain if a sound and effective approach has been followed in establishing the Company's Business Continuity Planning arrangements including whether disaster recovery plans and procedures have been tested periodically;
- p) Review the framework, the plan and the scope as well as the effectiveness of the compliance and business continuity functions;
- q) Monitor the overall compliance to the internal policies, statutory and regulatory requirements as well as guidelines for the Group;
- r) Benchmark compliance and business continuity management practices of L&G and its Group against internationally recognised standards;
- s) Consider other matters relating to risk management as referred to by the Board or by RMC by its own accord such as feedback from the Management and the external and internal auditors on the effectiveness of risk management system; and
- t) Promote a healthy risk culture (including awareness, education and training for all levels of employees) and watch for dysfunctional behaviour that could undermine the effectiveness of the risk management process.

#### **REPORTING PROCEDURES**

- The report and confirmed minutes of each RMC meeting shall be tabled and presented to the Board of L&G during the subsequent Board meeting to keep them informed and updated on the key issues deliberated by the RMC. The Chairman of the RMC shall present and apprise the Board on pertinent issues.

#### **REVIEW AND AMENDMENT OF THE TERMS OF REFERENCE**

- This Terms of Reference has been approved by the Board. The Board shall review this Terms of Reference periodically and make amendments when necessary; and
- The Secretary shall ensure that the provisions of this Terms of Reference continue to comply with legal requirements and corporate governance enumerations applicable to the Group and, if necessary, shall suggest amendments to the Terms of Reference for consideration by the Board.