



# **GOLDEN LAND BERHAD**

(Company No. 298367-A)

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## **BOARD CHARTER**

(First adopted on 26 August 2013 and revised on 6 December 2017)

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### **OBJECTIVES**

This charter is intended as a tool to assist the Directors in fulfilling their responsibilities as Board members. 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 legislations and regulations affecting their conduct and that the principles and practices of good Corporate Governance are applied in all their dealings in respect, and on behalf of, the Company.

### **1. THE BOARD**

#### **1.1 COMPOSITION**

The Constitution of the Company provides for a minimum of 2 and a maximum of 12 directors. The Board must ensure that at least half of the Board comprises Independent Directors. In the event of any vacancy in the Board of Directors, resulting in non-compliance with the Listing Requirement of Bursa Malaysia Securities Berhad, the Company must fill the vacancy within 3 months. The composition and size of the Board are reviewed from time to time to ensure its appropriateness.

The Board shall appoint a Senior Independent Director (SID) who will also act as a sounding board for the Chairman, intermediary for other directors where necessary and the point of contact for shareholders and other stakeholders.

The Chairman shall be appointed from amongst the Directors as approved by the Board of Directors.

Annual assessments on the Executive Directors, Independent Directors, and the Board as a whole are undertaken to ensure that the composition of the mix of skills, experience and competencies of the Directors are adequate to support the needs of the Group. Any Board expansion would be in tandem with the Group's expansion needs.

## 1.2 INDEPENDENCE OF DIRECTOR

The Board undertakes an assessment of its Independent Directors annually to assess the independence of the Directors by taking into consideration of their background, economic, family relationship and disclosed interests and considers whether the Independent Directors can continue to bring independent and objective judgment to Board deliberation.

The tenure of an Independent Director should not exceed a cumulative term of 9 years. Upon completion of 9 years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as Non-Independent Director. If the Independent Director has served for 9 years or more, the Board must justify and seek shareholders' approval in the event the said Director is retained as an Independent Director.

If the Board seeks to retain an Independent Director after a 12-year tenure, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process.

## 1.3 APPOINTMENT AND RE-ELECTION

Board appointments are effected through the Nomination Committee, which shall be responsible for making recommendations to the Board on all new Board and Board Committees appointments based on a formalized transparent procedure. In making these recommendations, the Nomination Committee will consider the required mix of skills, experience and diversity, including gender, where appropriate.

The Board recognizes the important of boardroom diversity. The Company's approach to ensure Board diversity include:-

- i. Recruiting from a diverse pool of candidates for the position of Director
- ii. Reviewing succession plans to ensure an appropriate focus on diversity
- iii. Engage professional consultants to assist in the hiring process by presenting diverse candidates to the Company for consideration
- iv. Developing programs to develop a broader pool of skilled and experienced board candidates
- v. Promoting gender diversity by encouraging and supporting women's participation on the Board

The Constitution of the Company provides that every newly appointed Director will be subjected to re-election at the immediate Annual General Meeting ("AGM"). Further, 1/3 of the Board shall retire from office and be eligible for re-election at every AGM, and all the Directors shall submit themselves for re-election at least once in every 3 years.

## 1.4 NEW DIRECTORSHIP

A director must not hold more than 5 directorships in listed corporation. All Board members shall notify the Chairman of the Board or the Company Secretary before accepting any new directorship. The notification shall include an indication of time that will be spent on the new appointment.

The Chairman shall also notify the Board if he has any new directorship or significant commitments outside the Company.

## 2. **ROLE OF THE BOARD**

### 2.1 DUTIES & RESPONSIBILITIES

- i. Reviewing and adopting a strategic plan for the Group including addressing the Group's business strategies on promoting sustainability and setting of goals.
- ii. Overseeing the conduct of the Group's business and operations, and evaluate whether its businesses are being properly managed,
- iii. Identifying and understand principal risks and ensuring the implementation of appropriate internal controls and mitigation measures to address such risks,
- iv. Establish and oversee a succession planning programme for the Company and the Group including remuneration policy thereof,
- v. Overseeing the development and implementation of a shareholder communications policy for the Group to enable effective communication with the stakeholders,
- vi. Reviewing the adequacy and the integrity of the financial and non-financial reporting, management information and internal controls system of the Group,
- vii. Ensure that there is a sound framework for internal control and risk management,
- viii. Promote good governance culture within the Company which reinforce ethical, prudent and professional behavior,
- ix. Supervise and assess management performance to determine whether the business is being properly managed,
- x. Review, challenge, discuss and decide on the management's proposal for the Company, and monitor its implementation by the management,
- xi. Ensure that senior management has the necessary skills and experience to manage the Company.

### 2.2 MATTERS RESERVED FOR THE BOARD

- i. Responsibility for the overall direction of the Group
- ii. Approval of the Group's long-term objectives and strategy, policies and annual budgets
- iii. Oversight of the Group's operations and management including the extension of Group's activities into new business areas and to cease to operate all or any material part of the Group's business.
- iv. Review of performance in the light of the Group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- v. Changes relating to the Group's capital structure, corporate structure, management and control structure.

- vi. Approval of major capital projects, investments or contracts

### 2.3 CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The role of the Chairman and Chief Executive Officer (“CEO”) are distinct and separate to ensure there is a balance of power and authority with no domination, the separation of the positions promotes accountability and facilitates division of responsibilities between them. The Chairman must be a non-executive member of the board preferable an Independent Director, the Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director.

The Chairman is responsible for leadership of the Board. In particular:

1. to lead the Board and ensuring its effectiveness of all aspect of its role.
2. setting the Board agenda and ensuring Board members receive complete and accurate information in a timely manner;
3. to lead and ensure efficient and effective conduct of the Board Meetings;
4. to encourage active participation and allowing dissenting views to be freely expressed;
5. to ensure effective communication with shareholders and relevant stakeholders to ensure their views are communicated to the Board as a whole;
6. to facilitate the effective contribution of all Directors at Board meetings;
7. to ensure the efficient organization and conduct of the Board’s function and meetings;
8. to commit time necessary to discharge effectively his role as Chairman;
9. to promote constructive and respectful relations between Directors, and between the Board and Management; and
10. to lead the Board in establishing and monitoring good corporate governance practices in the Company.

The CEO is responsible for leadership of the business and managing it within the authorities delegated by the Board. In particular:-

1. to provide effective leadership to the Group and is responsible for ensuring high management competency and that an effective management succession plan is in place to sustain continuity of operations;
2. to develop and implement corporate strategies and ensure that agreed strategies are reflected in the business;

3. to supervise Heads of Divisions and Departments who are responsible for all functions contributing to the success of the Group; and
4. to assess business opportunities which are of potential benefit to the Group.

## 2.4 BOARD COMMITTEES

The Board may from time to time establish Committees as it considers necessary or appropriate to assist it in carrying out its responsibilities. The members of the Committees must be appointed from amongst the members of the Board and the Board must ensure that Chairman of Audit Committee and the Board must not be assumed by the same person.

The Board delegates certain functions to the following Committees to assist in the execution of its responsibilities:-

- i. Audit Committee
- ii. Nomination Committee
- iii. Remuneration Committee
- iv. Other Board Sub-Committees

The powers delegated to these Committees are set out in the Terms of Reference of each of the Committees as approved by the Board.

The Board may also delegate specific functions to ad hoc committees as and when required.

## 2.5 BOARD MEETINGS

The Board shall conduct at least 5 scheduled meetings annually with additional meetings to be convened as and when necessary. Any Board member may call further meetings, if required. The quorum of the Board and Board Committee meetings shall be 2 members present at the meeting with at least one of whom is an Independent Director.

Procedures have been established concerning the content, presentation and timely delivery of papers, which is at least 5 business days in advance for each Board and Board Committee meeting as well as for matters arising from meetings to ensure Directors are well informed and have the opportunity to seek additional information, and are able to obtain further clarification, should such a need arise. Where necessary, the services of other senior management or external consultants will be arranged to brief and help the Directors clear any doubt or concern. Board members must be fully prepared for Board meetings to be able to provide appropriate and constructive input on matters for discussion and decisions.

Board members must also attend all scheduled meetings of the Board, including meetings called on an ad-hoc basis for special matters unless prior apology, with reasons, has been submitted to the Chairman or Company Secretary. If the Chairman of the Board is absent from a meeting, the Directors present must elect 1 of the Directors present to act as Chairman.

Each Board member is required to fulfill 50% attendance for the Board meetings, including additional meetings to be convened as and when necessary.

The Company Secretary is the secretary to the Board and shall be in attendance and shall record the proceedings of all meetings. The minutes must accurately reflect the deliberations and decisions of the Board, including any director abstained from voting or deliberating on a particular matter. The minutes must be completed within 6 weeks after the meeting and circulated to the Chairman and members of the Board for review thereof. The minutes must be formally approved by the Board at its next scheduled meeting. The roles of the Company Secretary also include but are not limited to the following:-

- a) Advise the Board on its roles and responsibilities and corporate disclosures and compliance with company and security regulations and listing requirements;
- b) Assist the Board in applying governance practices and monitor corporate governance developments;
- c) Facilitate the orientation of new directors and assists in director training and development
- d) Manage Board and Committee meetings and facilitate Board communication;
- e) Manage general meetings
- f) Ensure a communication medium with stakeholders is well maintained

## 2.6 DIRECTORS' TRAINING & CONTINUING EDUCATION

In addition to the Mandatory Accreditation Programme ("MAP") as required by Bursa Malaysia Securities Berhad, Board members are also encouraged to attend training programmes which are relevant to the Group's operations and business to continue to update their knowledge and enhance their skills.

The Nomination Committee will continue to evaluate and determine its training needs to enable them to effectively discharge duties and sustain active participation in the Board's deliberations.

The Nomination Committee will also ensure that an induction programme is arranged. The newly appointed Director will receive information about the Group, the formal statement of the Board's role, the powers which have been delegated to the Company's senior managers and management committees and latest financial about the Group.

## 3. DIRECTORS' REMUNERATION

The Board believes that remuneration should be on par or higher than market benchmark in order to attract, retain and motivate Directors with the necessary caliber, expertise and experience to ensure success for the Company. In line with this philosophy, remuneration for the Executive Directors is aligned to individual and corporate performance. For Non-Executive Directors, the fees are commensurate with the level of experience and responsibilities shouldered by the respective Director.

The Remuneration Committee recommends the policy framework and is responsible for assessing the compensation package for the Executive Directors. The Remuneration of the Executive Directors consists of salary, bonus and benefits-in-kind.

Remuneration for Non-Executive Directors is determined by the Board as a whole, with individual Director abstaining from discussion of their own remuneration. The Board, subject to a maximum sum as authorised by the Company's shareholders, determines fees payable to Non-Executive Directors. Non-Executive Directors also entitled to meeting allowances and reimbursement of expenses incurred in the course of their duties as Directors.

The Board should also ensure that the remuneration and incentives for Independent Directors do not conflict with their obligation to bring objectivity and independent judgment on matters discussed at board meetings.

#### 4. COMPANY SECRETARY

The Company Secretary plays an important advisory role and also in supporting the Board by ensuring adherence to Board policies and procedures, compliance with the company and securities regulations, listing requirements and corporate disclosure. The Company Secretary advises the Board on its duties and the appropriate requirements and procedures to be complied including the management of its meetings. Therefore, the Board recognizes that the Board must be supported by a suitably qualified and competent Company Secretary.

#### 5. MANAGEMENT TEAM

The Board shall monitor the management team of the Company. The roles of the management team include, but are not limited to the following:-

- a) Provide information and management support to the CEO in strategy formulation and overall monitoring of the operations;
- b) Advocate proper dissemination of the policies, procedures and best practices including policy oversight;
- c) Regular review of the operational and financial management information;
- d) Regular review of regulatory and internal policy and procedures compliance status and issues;
- e) Implement and review of the Limit of Authority as approved by the Board.

#### 6. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

In order for the Board to discharge its stewardship responsibilities efficiently, the Board has unrestricted access to information required, regular and ad-hoc reports are provided to all Directors to ensure that they are updated on key strategic, financial, operational, legal, regulatory, corporate and social responsibility matters in a timely manner to enable them to make meaningful decision. The Directors, collectively and individually, may take independent professional advice at the Group's expense, in furtherance of their duties.

Procedures to access to independent professional advice:-

- i. Board discussion on the matter to identify the need to seek independent professional advice and Board's approval must be obtained.
- ii. Request quotation from Independent Advisor in the event fees will be charged.
- iii. Chief Executive Officer's approval on the fees to be charged on the independent professional advisory services.

## 5. INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION

The Company recognizes the importance of being accountable to its investors and as such has maintained an active and constructive communication policy that enables the Board and management to communicate effectively with its investors, stakeholders and the public generally. The various channels of communications are through the quarterly announcements on financial results to Bursa Malaysia Securities Berhad, relevant announcements and circulars, AGM and through its website [www.glbhd.com](http://www.glbhd.com) where shareholders have access to the corporate information, financial information, share prices and principal activities.

The Board views the AGM as the primary forum to communicate with shareholders. At the Company's AGM, shareholders are encouraged to ask questions and express their views about the Company's business and financial issues. The Board also encourages other channels of communication with shareholders. For this purpose, the Board has identified the Senior Independent Director to whom queries or concern regarding the Group may be conveyed or shareholders can also send in queries or concern regarding the Group via the "Contact Us" option in the Company's website.

## 7. CODE OF CONDUCT AND BUSINESS ETHICS

The Group Code of Conduct and Business Ethics ("the Code") applies to all Directors, Management and employees of the Group. The Code was formulated to promote ethical conduct of Directors and employees as well as to enhance the standard of corporate governance in the Company.

## 8. REVIEW OF THE BOARD CHARTER

The Board Charter will be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

A copy of the Board Charter is available on the Company's website at [www.glbhd.com](http://www.glbhd.com).