



**JAYA TIASA HOLDINGS BERHAD**

Registration No. 196001000095 (3751-V)

**BOARD CHARTER**

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**BOARD CHARTER**

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## BOARD CHARTER

### 1. INTRODUCTION

The Board Charter sets out the Board of Directors (Board)'s strategic intent and outlines the Board's roles, powers that the Board reserves for itself and responsibilities that are delegated to the Management and the various Board Committees of Jaya Tiasa Holdings Berhad ("the Company") with the aim of enhancing corporate governance practices towards transparency, accountability and integrity in boardroom activities.

The Charter incorporates the Principles and Practices of the Malaysian Code on Corporate Governance 2021 ("MCCG"), as considered appropriate, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") on corporate governance and relevant provisions of the Company's Constitution and the Companies Act, 2016 insofar as the duties and responsibilities of Directors are concerned.

Whilst the Charter serves as a structured guide, especially for new Directors who are on board, it should not be construed as an exhaustive blueprint for Directors of the Company.

### 2. BOARD'S ROLES, RESPONSIBILITIES AND AUTHORITY

#### 2.1 Board's Roles

The roles of the Board are to promote and protect the interests of the shareholders and stakeholders of the Group. It sets the strategic direction, provides thought leadership as well as champion good governance and ethical practices to ensure long-term growth and deliver sustainable values to stakeholders.

#### 2.2 Principal Responsibilities

The Board has the following principal responsibilities in discharging its fiduciary duties and leadership functions:

- i. Reviewing and adopting a strategic plan for the Group taking into account the sustainability of the Group's business, with due consideration given to the economic, environmental, social and governance aspects of the businesses;
- ii. Overseeing the conduct of the Group's businesses, including monitoring the performance of Management to determine whether or not the businesses are being properly managed;
- iii. Ensuring effective risk management and implementation of appropriate internal controls and mitigating measures to manage risks;
- iv. Succession planning including ensuring that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and senior management;
- v. Ensuring that the Company has in place procedures to enable effective communication with stakeholders;
- vi. Ensuring the integrity of the Group's financial and non-financial reporting; and
- vii. Overseeing the Group's adherence to high standards of conduct/ethics and corporate behavior, including the Code of Conduct and Ethics for Directors and Employees.

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#### 2.3 Matters Reserved

The matters listed in the **Appendix A** are reserved for the collective decision of the Board.

#### 2.4 Authorities

The Board is authorised to do the following at the expense of the Company:

- i. Provided with resources to perform its duties and responsibilities;
- ii. Have unrestricted access to the Senior Management team and the external auditors;
- iii. Have direct access to the Company Secretary, and full and unrestricted access to information, records and reports in performing their duties; and
- iv. Obtain independent professional advice. Any independent advice sought by the Board member should be discussed with the management and brought up at the Board meeting to establish the relevance of such independent advice.

### 3. BOARD COMPOSITION

#### 3.1 Composition

The Board is responsible in the determination of the appropriate size of the Board which shall be not less than (2) and not more than (15).

Members of the Board should possess the relevant skill set, competency, experience, character integrity and commitment (time availability) to contribute effectively to the Board. The Board shall also regularly review its membership to ensure it remains relevant.

At least two Directors or one third of the Board, whichever is higher, shall be independent non-executive directors (Independent Director) as defined in the MMLR of Bursa Securities.

Upon completion of 9 years service, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. Where the Board is of the view that the Independent Director can continue beyond the 9-year tenure, it must justify and seek annual shareholders' approval subject to the relevant provision in MMLR of Bursa Securities governing the tenure of Independent Director, if any.

Any Director may relinquish his Directorship on the Board with prior written notice to the Company subject to compliance with the Companies Act 2016, Company's Constitution and MMLR of Bursa Securities.

The Board may identify from amongst its members for inclusion in the Company's Annual Report a Senior Independent Non-Executive Director to whom concerns of fellow Directors, shareholders or stakeholders may be conveyed.

Directors shall not sit on the boards of more than five (5) listed issuers, and before accepting any new Directorship, Directors should notify the Chairman, the

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notification of which shall include an indication of time that will be spent on the new appointment.

### 3.2 Board Diversity Policy

The Company is committed to creating and maintaining a diverse Board by including and making good use of the differences in skills and industry experience, knowledge, gender, age, cultural background and other qualities of Directors, to provide the necessary range of perspectives and expertise required to achieve effective stewardship.

The Board Diversity Policy is set out in **Appendix B** attached.

## 4. BOARD STRUCTURE AND COMMITTEES

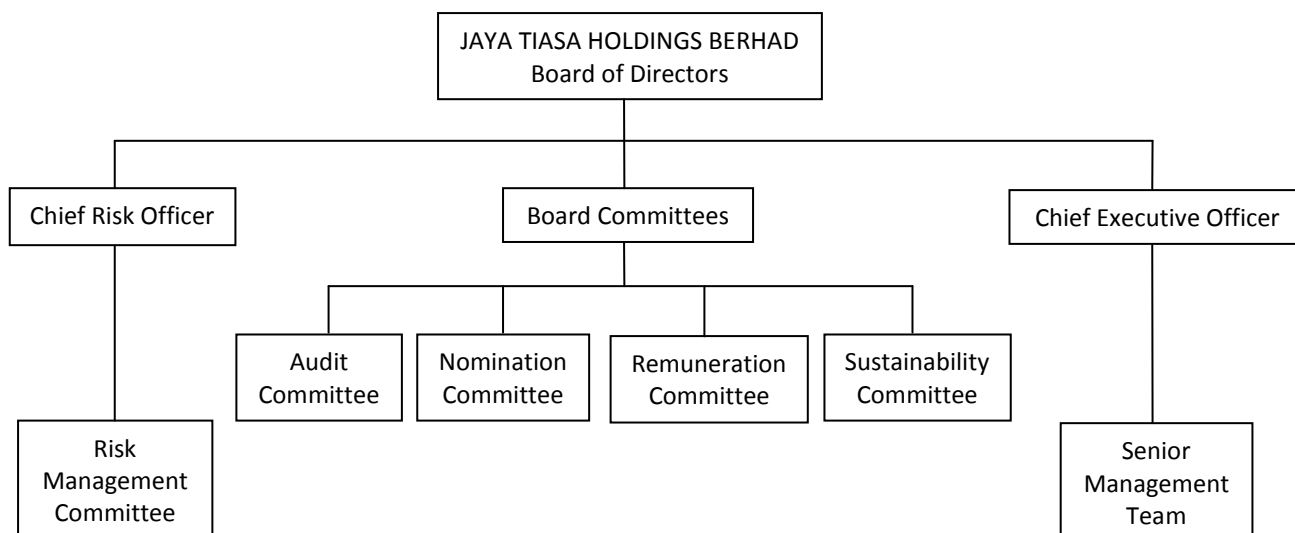
### 4.1 Board Committees

- i. The Board shall establish Committees from time to time to assist the Board in the discharge of its duties and responsibilities. Each Committee has its own terms of reference in writing, specified by the Board, detailing its roles and responsibilities and composition.
- ii. The Board has established the following committees to assist in fulfilling its oversight responsibilities:-
  - a. Audit Committee (AC);
  - b. Nomination Committee (NC);
  - c. Remuneration Committee (RC); and
  - d. Sustainability Committee (SC).

The respective committees' terms of reference established by the Board are available for reference on the Company's website.

### 4.2 Governance Structure

The governance structure of the Board is as follows:



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### 5. RESPONSIBILITIES OF CHAIRMAN AND INDIVIDUAL DIRECTOR

#### 5.1 Roles of Chairman

The Chairman is primarily responsible for instilling good governance practices, leadership and effectiveness of the Board.

His responsibilities include:

- i. Presiding at Board and shareholder meetings and ensuring the proceedings thereof comply with good conduct and practices provided that the Board may appoint another Director to preside as Chairman if the Chairman shall be unwilling or unable to preside at any meeting;
- ii. Acting as facilitator at Board meetings and ensuring that no member dominates discussion;
- iii. Encouraging active Board members participation and allowing dissenting views to be freely expressed;
- iv. Ensuring Board meeting to be conducted separately from Board committee meeting; and
- v. Ensuring general meetings support meaningful engagement between the Board, senior management and shareholders.

#### 5.2 Duties of CEO

The duties of the CEO include:

- i. Overseeing the day-to-day business operations, implementing Board policies and strategies, and making operational decisions;
- ii. Serving as the conduit between Board and Management in ensuring the success of the Group's governance and management functions;
- iii. Providing strong leadership by effectively communicating the vision, business strategy, sustainability, safety and health policy to employees; and
- iv. Keeping the Board informed on the important aspects of the Group's operations.

#### 5.3 Role of Non-Executive Directors ("NEDs")

The main roles of the NEDs are to monitor the Company performance and contribute to the development of Company strategic objectives, details as follows:

- i. Constructively challenge and contribute to the development of Company objective; and
- ii. Oversee the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

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#### 5.4 Responsibilities of individual Director

Every Director, in discharging his fiduciary duties as Director, is expected to:

- i. Act in good faith and in the best interest of the Company;
- ii. Act with reasonable care, skill and diligence subject to the business judgement rule;
- iii. Avoid conflict of interest with the Company in a personal or professional capacity;
- iv. Ensure Board information, deliberations and decisions that are not publicly known are not used for personal interest;
- v. Disclose and abstain from voting on matter of personal interest;
- vi. Comply with the Companies Act 2016, securities legislation and MMLR of Bursa Securities;
- vii. Devote sufficient time to prepare for and attend Board and Board Committee Meetings and attend Directors' continuous training program;
- viii. Attend at least 50% of the Board Meeting held in each financial year;
- ix. Notify the Chairman before accepting any new Directorship on other listed company and to indicate the time expected to be spent on the new appointment; and
- x. Undergo the mandatory accreditation programme organised by Bursa Securities. In addition, Directors are required to attend relevant training courses to keep themselves updated on developments pertaining to the oversight function of Directors as well as technical matters.

## **6. BOARD MEETING**

#### 6.1 Frequency

The Board shall meet at least four (4) times in a financial year with additional meeting to be convened as and when necessary.

#### 6.2 Notice, Agenda and Timeframe To Circulate Meeting Papers

Notices and agendas of meetings duly endorsed by the Chairman together with meeting materials are to be circulated at least five (5) business days, or a shorter period where unavoidable, prior to meeting.

#### 6.3 Quorum and Chairman

The quorum for Board Meeting shall be a minimum of two (2). In the absence of Chairman, the members present shall appoint one from amongst themselves to chair the meeting.

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#### **6.4 Mode of Meeting**

A meeting shall normally be conducted face to face to enable effective discussion. It may also be conducted via teleconferencing, video conferencing or other appropriate mode as decided by the Board.

The Board may from time to time consider and approve relevant routine and administrative matters via a resolution in writing. A written resolution approved by a majority of Directors shall be as valid and effectual as if it has been passed by a meeting of the Board duly convened. Approval can be through facsimile, email or other means of electronic communications. Any such resolution may consist of several documents, in like form, each signed by one or more Directors.

#### **6.5 Voting**

All resolutions of the Board shall be adopted by a simple majority vote, each member having one vote. In case of equality of votes, the Chairman of the Board shall have a second or casting vote.

A Board member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.

#### **6.6 Minutes**

The minutes of the meeting shall record the proceedings and decisions of the Board. Minutes shall be distributed to Board members and shall be approved by the Chairman of the meeting at which the proceedings are held or by the Chairman of the next succeeding meeting.

## **7. REMUNERATION OF DIRECTORS**

The Company's remuneration policy for Directors is to provide remuneration at the level and make-up sufficient to attract, motivate and retain the Directors to contribute positively to the Company's performance. As a matter of good practice, the individual Director shall abstain from discussion on his/her own remuneration.

The remuneration of Directors who hold executive offices shall be decided by the Board, taking into consideration the recommendations of the Remuneration Committee.

Non-Executive Directors will be paid a fee for acting as Directors of the Board and Board Committee members. They are also paid meeting allowances for their attendance at meetings, and other allowances and benefits for their additional responsibilities in the Board. The fees, allowances and benefits payable to Non-Executive Directors are determined by the Board, subject to shareholders' approval.

## **8. BOARD AND DIRECTORS ASSESSMENT**

The Board should review the performance of the Board, its Committees and each individual Director (including independent director) annually to remain relevant and effective.

The Board via the Nomination Committee shall establish the criteria for the assessment.



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Disclosure on how it has conducted such assessment and its outcome should be made in the corporate governance and annual report.

#### **9. CODE OF CONDUCT AND ETHICS**

The Board shall formalise and maintain a set of ethical standards of behaviour expected of all Directors and Employees including managing conflict of interest, preventing abuse of power, corruption, insider trading and money laundering. Details of the Code of Conduct and Ethics are published on the Company's website.

#### **10. WHISTLE BLOWING POLICY**

The Board shall establish, review and together with Management implement appropriate policies and procedures on whistleblowing.

#### **11. COMPANY SECRETARY**

11.1 The Board shall ensure that it is supported by a suitably qualified and competent Company Secretary.

11.2 The responsibilities of the Company Secretary include:

- i. Managing Board and Committee meeting logistic, attending meetings thereof, preparing minutes and ensuring that meeting proceedings and conclusions are accurately recorded;
- ii. Managing processes pertaining to the annual general meeting;
- iii. Dissemination of information relevant to Directors' roles and responsibilities and keeping them updated on new or evolving regulatory requirements;
- iv. Facilitating the orientation of new Directors and assist in Directors training and development;
- v. Advise the Board on corporate disclosures and compliance with the Companies Act, 2016 and Listing Requirements; and
- vi. Monitoring corporate governance development and assist the Board in applying governance practices.

11.3 The appointment and removal of the Company Secretary must be approved by the Board.

#### **12. STAKEHOLDERS' COMMUNICATION**

The Board shall ensure ongoing engagement and communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Channels of communication with stakeholders include:

- establishing an investor relations function;

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- conducting engagement forums;
- organizing investor, analyst and media briefings; and
- use of company's website where stakeholders can access products and services, corporate information, annual reports, financial information, corporate presentations, Company announcements and stock information.

### 13. GENERAL MEETING

The Board of Directors shall ensure that the General Meetings of the Company are conducted in an orderly manner to enhance shareholder communications.

All Directors and the Chairs of Board Committees shall attend General Meetings to engage directly with shareholders and to allow shareholders to raise questions directly to those responsible.

### 14. REVIEW OF THE BOARD CHARTER

The Board Charter shall be reviewed and updated by the Board in accordance with the needs of the Company as well as when development in rules and regulations have an impact on the discharge of the Board's duties and responsibilities.

No.	Jaya Tiasa Holdings Berhad Board Charter	Date
i.	Adopted	27 August 2013
ii.	First Revision	26 May 2016
iii.	Second Revision	17 October 2017
iv.	Third Revision	23 May 2018
v.	Fourth Revision	15 October 2020
vi.	Fifth Revision	18 October 2021

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### Appendix A

#### MATTERS RESERVED FOR COLLECTIVE DECISION OF THE BOARD

The authorities of the Board are specified below. The authorities may be varied from time to time as determined by the Board.

#### **1** Board Structure

- i. Appointment and recommendation for removal of Directors.
- ii. Appointment and removal of Company Secretaries.
- iii. Establishment of Board Committees, their Chairmen, members of the Committee and terms of reference.
- iv. Appointment of senior executive positions, including that of the CEO and Executive Directors of the Company and their duties and the continuation (or not) of their service.

#### **2** Board Remuneration

- i. Recommendation of the fees and other remuneration of Non-Executive Directors, subject to shareholders' approval.
- ii. Approval of the remuneration packages, including service contract of Executive Directors.
- iii. Approval of any proposed employees' share option scheme and/or amendments to the scheme, subject to other approvals that may be required by law or regulations.

#### **3** Operational

- i. Approval of business strategy and Group corporate objectives.
- ii. Periodic review of performance against corporate objectives and group operational plan.
- iii. Approval of capital expenditure above the prescribed thresholds based on the formalised discretionary authority limit.
- iv. Approval of investment or divestment in a company/ business/ property/ undertaking of a substantial value.
- v. Approval of investment or divestment of a capital project which represents a significant diversification from the existing business activities.
- vi. Approval of changes in the major activities of the Company or Group.
- vii. Approval of treasury policies and bank mandate.

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**4 Financial and Corporate Governance**

- i. Approval of financial statements and their releases to Bursa Malaysia Securities Berhad.
- ii. Approval of the Annual Directors' Report and Statutory Accounts.
- iii. Approval of dividend policy and interim dividends, the recommendation of final dividends or other distribution for shareholders' approval.
- iv. Review the effectiveness of the Group's internal control and system of risk management.

**5 Other Matters**

- i. The granting of powers of attorney by the Company.
- ii. The entering into of any indemnities or guarantees.
- iii. Recommendations for the alteration of the Constitution of the Company.
- iv. Alteration of the financial year end date, registered office and name of the Company.
- v. Purchase of own shares by the Company subject to having a valid shareholders' mandate.
- vi. Issue of any debt instruments.
- vii. Scheme of reconstruction or restructuring.
- viii. Any other significant business decision.
- ix. Any other matter requiring the convening of a general meeting of shareholders or any class of shareholders.
- x. Any other matters as may be required by laws or regulatory authorities.

**BOARD DIVERSITY POLICY**

**Policy Statement**

The Company strongly advocates corporate culture that embraces diversity when determining the composition of the Board taking into accounts diversity in skills, experience, knowledge, gender, age, and cultural background in the context of the needs and goals of the Company. The differences in the qualities of Directors will be balanced appropriately, whenever possible, in determining the optimum composition of the Board.

The Board's Nomination Committee is responsible for reviewing and assessing the composition and performance of the Board, including identifying appropriately qualified persons to occupy Board positions.

The Board, in its effort to create and maintain a diverse Board, has tasked the Nomination Committee with the following responsibilities:

- a. Review and assess the Board composition and mix, and makes recommendations on the appointment of new Directors based on merits and free of prejudice, whilst simultaneously considers diversity and its advantages;
- b. Review and assess the mix of skills, experience, independence and the diversity representation of the Board, as part of the annual performance evaluation of the effectiveness of the Board, Board Committees and individual Directors.
- c. Review and report to the Board on requirements in relation to diversity of the Board as and when the need arises.

The Board should comprise at least two (2) women at any time to bring value to Board discussions from the different perspectives and approaches of the women Directors.