



Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	1 of 30

GROUP COMPANY SECRETARIAL POLICY & PROCEDURES
BOARD CHARTER

REVISION RECORD

Issue Number	Revision Number	Description	Date
01		Issue For Implementation	May 2016
02	01	Revision on the Board Charter in its entirety to align with the requirements and recommendation outlined in the latest Companies Act 2016, Malaysian Code on Corporate Governance 2017 and the Bursa Malaysia Main Market listing Requirements 2018.	February 2019
03	02	(i) Revision on the roles and responsibilities of GRMC, consequent to the dissolution of the Strategic Investment Committee (“SIC”) on 18 April 2019; and (ii) To include the roles and responsibilities of a new Board Committee, the Long Term Incentive Plan (“LTIP”) Committee.	April 2019
04	03	(i) Revision on the composition of the GRMC members; and (ii) Inclusion of the cooling-off period of 2 years for former audit partner before he/she to be appointed as AC under the composition of AC members.	February 2020

This document has been approved and authorised by the appropriate authority whose signature appears below:

	Prepared by	Recommended by	Approved by
Signature	Signed	Signed	Signed
Designation	Group Company Secretary	President and CE	Board of Directors (Approved at the Board Meeting No. 2/2020 held on 27/02/2020)
Date	26 February 2020	26 February 2020	27 February 2020

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Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	2 of 30

TABLE OF CONTENTS

PAGE

1.0 INTRODUCTION 4

2.0 VISION, MISSION AND VALUES OF THE COMPANY 4

3.0 REFERENCE 5

4.0 ABBREVIATION 5

5.0 GOVERNANCE STRUCTURE 6

6.0 BOARD’S STRUCTURE, SIZE, COMPOSITION AND INDEPENDENCE 7

7.0 APPOINTMENT, RE-APPOINTMENT AND REMOVAL 9

8.0 INDUCTION AND TRAINING 12

9.0 BOARD ROLES AND RESPONSIBILITIES 13

10.0 BOARD COMMITTEES 16

11.0 INDIVIDUAL ROLE AND RESPONSIBILITIES 17

12.0 DIRECTORS AND SENIOR MANAGEMENT REMUNERATION 21

13.0 BOARD MEETING 22

14.0 BOARD EVALUATION 23

15.0 CODE OF CONDUCT AND BUSINESS ETHICS (CCBE) 25

16.0 FRAUD AND WHISTLE BLOWING POLICY 25

17.0 BOARD DYNAMICS AND RIGHTS 26

18.0 MANAGEMENT 27

19.0 RELATIONSHIP WITH STAKEHOLDERS 27

20.0 GENERAL MEETINGS 28



Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	3 of 30

21.0 COMPANY SECRETARY 28

22.0 REVIEW OF THE BOARD CHARTER..... 29

23.0 APPENDICES –

APPENDIX I : TERMS AND REFERENCE OF AUDIT COMMITTEE;

APPENDIX II : TERMS AND REFERENCE OF NOMINATING AND
REMUNERATION COMMITTEE;

APPENDIX III : TERMS AND REFERENCE OF GOVERNANCE AND
RISK MANAGEMENT COMMITTEE;

APPENDIX IV : TERMS OF REFERENCE OF LONG TERM
INCENTIVE PLAN COMMITTEE



Ranhill

RANHILL HOLDINGS BERHAD Registration No. 201401014973 (1091059-K)

Bangunan Ranhill SAJ, Jalan Garuda, Larkin, 80350 Johor Bahru, Johor
Tel: 607-2255300/ Fax: 607 – 2255310

Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	4 of 30

1.0 INTRODUCTION

- 1.1 Ranhill is committed to a high level of corporate governance which is essential for sustainable long-term performance and value creation of the Group.
- 1.2 The Board, being the highest decision making and stewardship body of the Group, is accountable and responsible for the performance and affairs of Ranhill, including the practicing of a high standard of corporate governance.
- 1.3 The purpose and objectives of this Charter:-
 - a) To set out the key corporate governance principles and structure adopted by the Board, authority and terms of reference of the Board, Board Committees and management.
 - b) To ensure that all Board members are aware of the roles and responsibilities, power and authority vested on the Board, Board Committees, individual Director and management.
 - c) A statement of intent and expectation as to how the Board will discharge its duties.
 - d) To serve as a source of reference and induction for the existing, prospective and new Board members, and senior management.
 - e) To be the basis for the Board to conduct its assessment on its own performance and that of each Board Committee and individual Director.

2.0 VISION, MISSION AND VALUES OF THE COMPANY

2.1 Ranhill's Vision

“ENRICHING LIVES THROUGH SUSTAINABLE SOLUTIONS”

ENRICHING LIVES

Ranhill aspires to lift the quality of life by being in the forefront of nation building through sustainable environment and power solutions using innovative and clean technology.

SUSTAINABLE SOLUTIONS

Ranhill aspires to meet the needs for an enhanced quality of life and for a cleaner planet through innovation. We subscribe to the triple bottom-line approach to the Environment (Planet) and Communities (People) whilst achieving our Financial Objective (Profit). We inspire our employees to be innovative in providing solutions beyond customers' expectations.



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Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	5 of 30

2.2 Ranhill's Mission

"To be a regional leader in water, wastewater and energy, with emphasis on circular economy"

2.3 Ranhill's Values

"RESPECT, RESOURCEFUL, RESULT"

RESPECT

Respect for the environment, communities we serve and for our employees.

RESOURCEFUL

Determination in sourcing and adopting innovative solutions.

RESULT

Focused on delivering growth and value to our stakeholders.

2.4 Ranhill's vision, mission and values may be reviewed, changed or enhanced from time to time to ensure its viability and appropriateness. The Board member is advised to refer to the Company's website for the latest vision, mission and values of the Company.

3.0 REFERENCE

This Charter should be read together with the following legislation/documents:

- a) MMLR;
- b) CA 2016;
- c) Capital Markets and Services Act 2007;
- d) MCCG;
- e) Bursa Malaysia Corporate Governance Guide (3rd Edition);
- f) Constitution;
- g) Ranhill Code of Conduct and Business Ethics Policy and Procedures;
- h) Ranhill Whistleblowing Policy and Procedures; and
- i) Ranhill Authority Manual.

4.0 ABBREVIATION

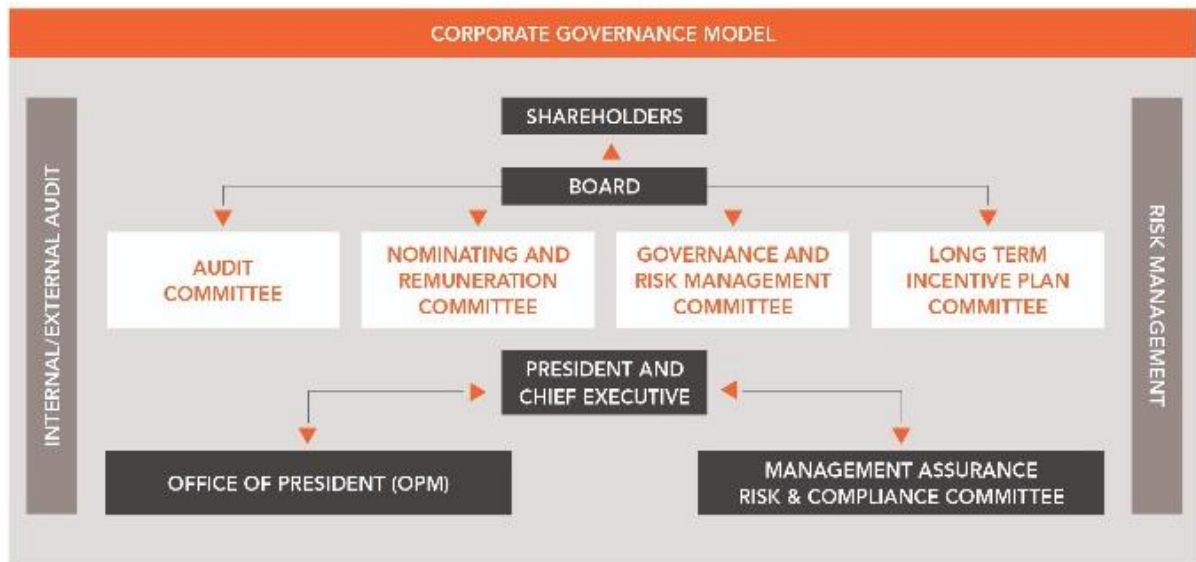
AC	Audit Committee
AGM	Annual General Meeting
BMSB	Bursa Malaysia Securities Berhad (635998-W)
Board	Board of Directors



Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	6 of 30

Board Committee or Committees	Committee or committees of the Board
CA 2016	Companies Act 2016
Chairman	Chairman of the Board of the Company
Charter	This Board Charter
Constitution	The Constitution of the Company
GRMC	Governance and Risk Management Committee
INED	Independent Non-Executive Directors
MCCG	Malaysian Code on Corporate Governance 2017
MMLR	Main Market Listing Requirements of BMSB
NED	Non-Executive Directors
NRC	Nominating and Remuneration Committee
LTIP	Long Term Incentive Plan
President and CE	President and Chief Executive
Ranhill / the Company	Ranhill Holdings Berhad (1091059-K)
Senior Management	Chief Executive Officers, Chief Financial Officer, Chief Corporate Officer
the Group	Ranhill Holdings Berhad and its subsidiaries

5.0 GOVERNANCE STRUCTURE





Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	7 of 30

The above corporate governance model serves as a guidance framework. The framework is augmented by a set of guidelines, policies, procedures and corporate values which help to cultivate good corporate governance within the Group, such as this Charter, the terms of reference of Board Committees, Ranhill Authority Manual, Code of Conduct & Business Ethics Policy and Procedures, Whistleblowing Policy and Procedures and Corporate Disclosure Policy.

6.0 BOARD'S STRUCTURE, SIZE, COMPOSITION AND INDEPENDENCE

- 6.1 The Company shall have a minimum of 2 directors and a maximum of 15 directors.
- 6.2 The Board may consist of executive directors, NED, senior INED, INED and non-independent NED.
- 6.3 The chairperson of the Board and Board Committees shall be an independent and non-executive director. In the event that the chairperson of the Board is non-independent, the regulator has to be informed.
- 6.4 **Composition of INED**
- a) Under the MMLR, a listed issuer must ensure that at least 2 directors or 1/3 of the board of directors of a listed issuer, whichever is the higher, are INED. If the number of directors of the Company is not 3 or a multiple of 3, then the number nearest to one-third must be used¹. However, under the MCCG, at least half of the Board should comprise of INED².
- b) In the event of any vacancy in the Board, resulting in non-compliance with the preceding number of Board, the vacancy must be filled within 3 months.
- 6.5 An INED shall be a person who possesses the right character, experience, integrity, competence and time to effectively discharge his/her duties as director and to provide independent judgement on matters involving strategy, performance and resources including key appointments and standards of conduct.
- 6.6 The Board shall assess the independence of the directors annually by taking into consideration of their disclosed interests and relationships.

¹ Subparagraphs 15.02(1) and (2) of the MMLR.

² Practice 4.1 of the MCCG.



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Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	8 of 30

6.7 Composition of the Board influences the ability to fulfil its oversight responsibilities. An effective board enables board decisions to be made objectively in the best interests of the company taking into account diverse perspectives and insights.

6.8 The composition of the Board shall be diverse in terms of age, skills, qualification, experience, cultural background, nationality and gender in order to encourage enhanced decision making by harnessing on different insights and perspectives.

6.9 In pursuing gender diversity, the Board shall take steps to ensure that women candidates are sought in its recruitment exercise for board members. As a matter of policy, the Board targets to have at least 30% women directors and senior management at all times.

6.10 Tenure of INED

- a) The tenure of an INED shall not exceed a cumulative term of 9 years. Upon completion of the 9 years, an INED may continue to serve on the Board subject to the director's re-designation as a non-independent director.
- b) Any exception shall be subject to assessment by the NRC where the INED upon completion of 9 years can still remain as INED, subject to strong justification from the Board and annual approval by the shareholders at a general meeting.
- c) If the Board continues to retain an INED after the 12th year, the Board should seek annual shareholders' approval through a two-tier voting process³. This shall also be subject to assessment by the NRC and strong justification from the Board prior to the annual shareholders' approval.
- d) To justify retaining an INED beyond the cumulative term limit of 9 years, the Board should undertake a rigorous review to determine whether the 'independence' of the director has been impaired. Findings from the review should be disclosed to the shareholders for them to make an informed decision.

Two-tier voting process⁴

Under the two-tier voting process, shareholders' votes will be casted in the following manner at the same shareholders meeting:

³ Please be informed that pursuant to Guidance 4.2 of the MCCG, Large Companies are not encouraged to retain an independent director for more than 12 years.

⁴ Guidance 4.2 of the MCCG.



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Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	9 of 30

Tier 1: Only the Large Shareholder(s) of the Company votes; and

Tier 2: Shareholders other than Large Shareholders votes.

Large Shareholder means a person who:

- is entitled to exercise, or control the exercise of, not less than 33% of the Company's voting shares;
- is the largest shareholder of the Company's voting shares;
- has the power to appoint or cause to be appointed a majority of the Company's directors; or
- has the power to make or cause to be made, decisions in respect of the Company's business or administration, and to give effect to such decisions or cause them to be given effect to.

The decision for the above resolution is determined based on the vote of Tier 1 and a simple majority of Tier 2. If there is more than one Large Shareholder, a simple majority of votes determine the outcome of the Tier 1 vote.

The resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution. However, the resolution is deemed to be defeated where the vote between the two tiers differs or where Tier 1 voter(s) abstained from voting.

- 6.11 The composition and size of the Board shall be reviewed from time to time to ensure its appropriateness.

7.0 APPOINTMENT, RE-APPOINTMENT AND REMOVAL

- 7.1 The NRC shall be responsible for identifying, considering and recommending to the Board, candidates for directorship and membership of Board Committees. A variety of approaches and sources shall be used to ensure that the Board is able to identify the most suitable candidates (including where applicable, independent sources).
- 7.2 A director shall be a person of high calibre, integrity and credibility, and possess the necessary skills and experience to effectively discharge the Board's responsibilities and for driving the Group's growth and future direction.
- 7.3 No person shall be appointed or allowed to act as a director or be involved whether directly or indirectly in the management, including acting in an advisory capacity in relation to the Group, if he or she:-



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Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	10 of 30

- a) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation; or
- b) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
- c) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence under the securities laws⁵ or the corporation laws of Malaysia (including under the CA 2016);

within a period of 5 years from the date of conviction or if sentenced to imprisonment from the date of release from prison, as the case may be⁶.

7.4 Subject as herein otherwise provided or to the terms of any subsisting agreement, the office of a director shall ipso facto become vacant if the director during his or her term of office:-

- a) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001; or
- b) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- c) is absent for more than 50% of the total of Board meetings held during a financial year (if a director is appointed after the commencement of a financial year, then only the Board meetings held after the appointment will be taken into account); or
- d) is removed from office in accordance with the provisions of the CA 2016 or the Constitution; or
- e) is prohibited from being a director by any order made under any law; or
- f) resigns his office by notice in writing to the Company and such letter of resignation is deposited at the registered office of the Company; or
- g) Is convicted by a court of law, whether in Malaysia or elsewhere, in relation to the offences set out in paragraph 7.3 above; or

⁵ For the purpose of the above, securities laws means the CMSA, the Securities Industry (Central Depositories) Act 1991 and the Securities Commission Malaysia Act 1993, any other legislation that Securities Commission Malaysia is empowered to administer or enforce and any other regulations, rules, orders, notifications of subsidiary legislation made thereunder.

⁶ Subparagraph 15.05(1) of MMLR.



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Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	11 of 30

- h) has retired in accordance with the CA 2016 or the Constitution but is not re-elected; or
 - i) becomes disqualified from being a director under Section 198 or 199 of the CA 2016; or
 - j) dies; or
 - k) otherwise vacates his office in accordance with the Constitution.
- 7.5 The newly appointed director shall be subjected to re-election at the immediate AGM following his/her appointment in accordance with the provision of the Constitution and MMLR.
- 7.6 No former audit partner of the auditors of the Company shall be appointed as a director of the Company.
- 7.7 Upon the appointment of a director, the said director shall provide to BMSB an undertaking prescribed by BMSB⁷ immediately and in any event not later than 14 days after his/her appointment.
- 7.8 All Board members shall notify the Chairman before accepting any new directorship. The notification shall include an indication of time that will be spent on the new appointment.
- 7.9 The Board shall appoint a senior independent director who will attend to any query or concern raised by shareholders.
- 7.10 The directorship held by any Board member at any one time shall not exceed 5 in listed companies⁸ or such other numbers as may be set by the relevant authorities.
- 7.11 Where a director is removed from office, the Company shall forward to BMSB a copy of any written representations made by the director and at the same time, copies of such representation are sent to the shareholders as required under the CA 2016⁹.

⁷ Paragraph 15.03 of the MMLR.

⁸ Subparagraph 15.06(1) of the MMLR.

⁹ Subparagraph 15.05(5) of the MMLR and Section 207(3)(b) of the CA 2016.



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Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	12 of 30

8.0 INDUCTION AND TRAINING

8.1 Induction

- a) An induction and orientation on the Group shall be provided for newly appointed Board members to familiarise themselves with the Company and the Group's business.
- b) The induction and orientation programme for the newly appointed directors includes briefing by the President a CE and senior executives and site visit(s) to Ranhill's principal operations.
- c) The induction materials and discussions include information on Ranhill's strategy, culture and values; key corporate and Board policies; the Company's financial, operational and risk management position; the rights and responsibilities of directors; the role of the Board and Board Committees; and meeting arrangements.

8.2 Training/Professional Development

- a) The Board must on a continuous basis, evaluate and determine the training needs of its directors and disclose in the annual report of the Company, a statement on the training attended by its directors¹⁰.
- b) Continuous training shall be provided to ensure that directors are equipped with the necessary skills and knowledge to meet the challenges of the Board and to update themselves in relation to the new developments to the laws applicable to the Company and Group. Appropriate training courses, seminars and conferences shall be identified for the directors' participation. Internal technical updates and briefings on financials, current development and trends in related industries and changes in regulatory and legal requirements shall also be provided where necessary. The subject matter of training must be one that aids the director in the discharge of his duties as a director.
- c) The directors are required to attend two types of training/education programmes, as follows:

- **Prescribed training programme**

BMSB requires the directors to attend this program.

Under Practice Note 5 of the MMLR, BMSB has prescribed that all newly appointed directors shall attend mandatory accreditation programme.

¹⁰ Paragraphs 15.08(2) and (3) of the MMLR.



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Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	13 of 30

- **Continuous education/training programme**

A director is encouraged to also attend other educational or training programme to further enhance their knowledge and to enable them to discharge their duties and responsibilities more effectively.

9.0 BOARD ROLES AND RESPONSIBILITIES

9.1 The Board's role is to govern and set the strategic direction of the Company and the Group. Meanwhile, senior management manages the Company and the Group in accordance with the strategic direction and delegation of authority set by the Board. The responsibility of the Board includes overseeing the activities of management in carrying out the delegated duties.

9.2 To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Company, the Board's responsibilities include the following:-

- a) together with senior management, promoting good governance culture which reinforce ethical, prudent and professional behaviour;
- b) establishing and reviewing the overall strategic plans of the Company and Group that supports long-term value creation, including establishing and reviewing business sustainability strategy on economic, environmental and social considerations;
- c) reviewing, challenging and deciding on management's proposals, and monitor its implementation by management;
- d) overseeing and assessing management performance in the conduct of the business of the Company and Group to determine whether the business is being properly managed;
- e) ensuring that there is a sound framework for internal control and risk management including the adequacy and integrity of management information system;
- f) identifying and understanding the principal risks of the Company's business and ensuring the implementation of appropriate risk management system and mitigation measures;
- g) setting the risk appetite within which the Board expects the management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;



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Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	14 of 30

- h) ensuring that senior management has the necessary skills and experience and that there are measures in place to provide for the orderly succession planning of the Board and senior management, and effective human capital management;
- i) overseeing the development and implementation of an investors relation programme or a shareholder communication policy including ensuring the Company has in place the procedures for effective communication with stakeholders;
- j) establishing formal schedule of matters specifically reserved for Board's decisions to ensure that the direction and control of the Company is firmly in the Board's hands and should be kept up to date. A schedule of Board reserved matters shall be given by the company secretary to the directors upon their appointment;
- k) determining the rules to ascertain the materiality of any transaction and establish clearly which transactions require multiple Board signatures. The Board shall also agree on the procedures to be followed especially when decisions are required between Board meetings;
- l) ensuring the integrity of the Company's financial and non-financial reporting;
- m) appointing and removing the President and CE, any other executive directors and the company secretary and determining their remuneration and conditions of service;
- n) appointing the Chairman;
- o) approving senior management succession plans and significant changes to organisational structure;
- p) approving policies of company-wide or general application;
- q) authorising the issue of shares, options, equity instruments or other securities;
- r) approving annual and half-year reports and disclosures to the market that contain or relate to financial projections, statements as to future financial performance or changes to the policy or strategy of the Company;
- s) authorising borrowings, other than in the ordinary course of business, and the granting of security over the undertakings of the Company or any of its assets;



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Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	15 of 30

- t) appointing directors who will come before shareholders for election at the next annual general meeting;
- u) authorising expenditures which exceed the President and CE's delegated authority levels;
- v) establishing procedures which ensure that the Board is able to exercise its powers and to discharge its responsibilities as set out in this Charter;
- w) approving strategic plans, annual business plans and budgets; approving the acquisition, establishment, disposal or cessation of any significant business of the Company;
- x) setting up of subsidiary, joint venture, strategic alliance and partnership; and
- y) approving dividends, the contents of this Charter and the terms of reference of Board Committees.

9.3 In discharging the responsibilities set out in this Charter, all Board members are expected to show good stewardship and act in a professional manner in the best interest of the Company, as well as upholding the core values of integrity and enterprise with due regard to their fiduciary and legal duties and responsibilities and in accordance with the laws in serving the interest of the shareholders, employees, clients, the community and other stakeholders.

9.4 The Board may from time to time delegate certain authority to Board Committees or management but the overall responsibility in the running of the Company remains with the Board. While delegation of authority may be made, the Board should not abdicate its responsibility and should at all times exercise collective oversight of the Board Committees and management. No matters should be delegated to a Board Committee or management if such delegation would significantly hinder or reduce the Board's ability to discharge its functions. In addition, regular review of the division of responsibilities should be conducted to ensure that the Group is able to adapt to changing business circumstances.

9.5 The Board reserves full decision-making power on the following matters:-

- a) approval of strategic and corporate plans;
- b) approval of annual budgets, including major capital commitments;
- c) approval of material acquisitions and disposals of undertakings and assets; and
- d) changes to the management and control structure within the Company and its subsidiaries, including key policies and delegated authority limits.



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Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	16 of 30

10.0 BOARD COMMITTEES

10.1 The Board delegates certain responsibilities to the Board Committees in order for the Board to function effectively as follows:

- a) **AC** shall ensure the system of internal controls and financial reporting process is in place and working order, all policies and procedures, regulations and laws are adhered to and the Group assets are safeguarded.
- b) **NRC** shall ensure that the Board and senior management has an effective structure, composition, size and skills set, the reward system is in place and fair, and the succession plan of the Board and senior management is developed and implemented. NRC shall also review the Board performance annually.
- c) **GRMC** shall ensure that the Group applies the principles and best practices of corporate governance, sustainability and corporate responsibility and to ensure that the Group complies with relevant regulatory and legal requirements. GRMC shall also review and recommend the risk management policies, framework and strategies including identifying principal risks, establishing risk appetite policy and its processes for the Group.
- d) **LTIP** Committee shall ensure that the establishment and implementation of the Proposed LTIP for the benefit of the eligible executive directors and employees of the Company and its subsidiaries (excluding subsidiaries which are dormant) who meet the criteria of eligibility for participation in the Proposed LTIP in accordance with proposed the by-laws is well administered.

10.2 The Board Committees shall operate under clearly defined terms of reference. The Board Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their terms of reference.

10.3 The terms of reference for, AC, NRC, GRMC, and LTIP are attached as **Appendix I, II, III and IV** respectively.

10.4 All members of the respective Board Committees are required to undertake continuous training to keep themselves abreast of relevant developments in the economic environment, industry, rules and regulations affecting the business and operations of the Group.

10.5 The chairman of the respective Board Committees shall report to the Board on the outcome of each committee meetings and such reports or minutes shall be included in the Board papers.



Ranhill

RANHILL HOLDINGS BERHAD Registration No. 201401014973 (1091059-K)

Bangunan Ranhill SAJ, Jalan Garuda, Larkin, 80350 Johor Bahru, Johor
Tel: 607-2255300/ Fax: 607 – 2255310

Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	17 of 30

11.0 INDIVIDUAL ROLE AND RESPONSIBILITIES

11.1 The roles of the Chairman and the President and CE are distinct and separate to ensure there is a balance of power and authority and promotes accountability.

11.2 The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board including leading the Board in its collective oversight of management. Meanwhile, the President and CE has overall responsibility for the business and the strategic day-to-day management of the Company in the implementation of the Board's policies and decisions.

11.3 Chairman

Key responsibilities of the Chairman, amongst others, are as follows:-

- a) providing leadership for the Board so that the Board can perform its responsibilities effectively in all aspects;
- b) setting the Board agenda with the assistance of the company secretary and ensuring that Board members receive complete and accurate information in a timely manner;
- c) leading board meetings and facilitate healthy discussions to ensure the effective contribution of all directors;
- d) encouraging active participation and allowing dissenting views to be freely expressed;
- e) managing the interface between Board and management;
- f) ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;
- g) leading the Board in establishing and monitoring good corporate governance practices in the Company;
- h) ensuring, together with the company secretary, that the directors are provided with sufficient information and time to prepare for board meetings;
- i) maintaining a relationship of trust with and between the President and CE and NED;
- j) facilitating effective contribution of NED and ensuring constructive discussions at Board meetings; and



Ranhill

RANHILL HOLDINGS BERHAD Registration No. 201401014973 (1091059-K)

Bangunan Ranhill SAJ, Jalan Garuda, Larkin, 80350 Johor Bahru, Johor
Tel: 607-2255300/ Fax: 607 – 2255310

Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	18 of 30

- k) ensuring that all directors are properly briefed on issues arising at Board meetings and there is sufficient time allowed for discussion on complex or contentious issues and where appropriate, arranging for informal meetings beforehand to enable thorough preparations.

11.4 **President and CE**

The responsibilities of the President and CE, amongst others, are as follows:-

- a) develop and ensure the execution of corporate and day-to-day operational strategies together with the senior management including implementation of the Board's policies and decisions;
- b) develop and recommend to the Board the long-term strategy and vision that leads to the creation of long-term prosperity and stakeholder value for the Group;
- c) develop and recommend to the Board the operational plan and budget to realisation of the Group's long-term strategy;
- d) recommend suitable management structure and operating authority levels including responsibilities delegations to the management;
- e) formulate and oversee implementation of major corporate policies;
- f) report to the Board with regards to financial performance and other relevant matters;
- g) refer to the Board Committees on matters as requested;
- h) supervise heads of divisions and departments who are responsible for all functions contributing to the success of the Group;
- i) ensure the efficiency and effectiveness of the operation for the Group;
- j) assess business opportunities which are of potential benefit to the Group; and
- k) accountable to the Board for the overall Group performance and observance of management's authority limits. This includes bringing material matters to the attention of the Board in an accurate and timely manner.



Ranhill

RANHILL HOLDINGS BERHAD Registration No. 201401014973 (1091059-K)

Bangunan Ranhill SAJ, Jalan Garuda, Larkin, 80350 Johor Bahru, Johor
Tel: 607-2255300/ Fax: 607 – 2255310

Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	19 of 30

11.5 **NED/INED**

The duties of the NED/ INED, amongst others, are as follows:-

- a) Review and challenge senior management's corporate strategy proposals so as to provide an objective judgement to the strategic planning process as well as monitoring management's success in implementing the strategy.
- b) Oversee the conduct of the Company's business and evaluate whether the business is properly managed. The NED/INED must ensure that there are objectives in place against which management's performance can be measured.
- c) In the case of NEDs representing substantial shareholders, to represent their principal's interests to the Board and provide a balanced views to the Board. In the case of INEDs, they should bring independence of judgement and objectivity to Board deliberations.
- d) Acquire and provide the necessary skills and experience to bring an independent judgement on issues relating to strategies, performance and resources including key appointments and standard of conduct.
- e) Ensure that each item of special business included in the notice of general meetings be accompanied by a full explanation of the effects of a proposed resolution.
- f) Keep abreast of issues relating to the Company in between meetings.

11.6 **Senior INED**

The Board shall appoint a senior INED to address the needs and issues of concern of the shareholders and NED. Among his or her responsibilities are to:-

- a) serve as a designated point of contact for consultation and direct communication with shareholders and other stakeholders on areas that cannot be resolved through normal channels of contact with the Chairman or President and CE;
- b) serve as sounding board for the Chairman and intermediary between other directors and the Chairman on sensitive issues;
- c) receive whistle blowing report(s) made by employees or external parties in the form as prescribed under the Whistleblowing Policy and Procedures, and thereafter submit the same to the Chairman of AC with an opinion as to whether the report is frivolous or vexatious based on alleged facts;



Ranhill

RANHILL HOLDINGS BERHAD Registration No. 201401014973 (1091059-K)

Bangunan Ranhill SAJ, Jalan Garuda, Larkin, 80350 Johor Bahru, Johor
Tel: 607-2255300/ Fax: 607 – 2255310

Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	20 of 30

- d) ensure all independent directors have the opportunity to provide input on meeting 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 directors to perform their duties effectively;
- e) consult with the Chairman regarding Board meeting schedules to ensure independent directors can perform their duties responsibly and with sufficient time for discussion of all meeting agenda items; and
- f) chair meetings of the Board in the absence of the Chairman or his abstention.

11.7 Individual directors

The directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as directors. These include:-

- a) acting in good faith and in the best interests of the Group;
- b) objectively discharging their duties and responsibilities at all times as fiduciaries in the interests of the Company;
- c) acting with reasonable care, skill and diligence subject to the business judgement rule;
- d) avoiding conflicts of interest with the Company and/or the Group in a personal or professional capacity, including improper use of the property, information, opportunity of the Group or position as a director or officer of the Group or engaging in business which is in competition with the Group;
- e) ensuring Board information, discussions, deliberations and decisions that are not publicly known are not used for personal interest;
- f) disclosing and abstaining from voting on interested matters; and
- g) exercising greater vigilance and professional scepticism in understanding and shaping the strategic direction of the Company and/or the Group.

Every director shall devote sufficient time to prepare for and attend Board and Board Committee meetings, attend directors' training programme and briefings. Every director must keep abreast of his responsibilities as a director and of the conduct, business activities and development of the Group.



Ranhill

RANHILL HOLDINGS BERHAD Registration No. 201401014973 (1091059-K)

Bangunan Ranhill SAJ, Jalan Garuda, Larkin, 80350 Johor Bahru, Johor
Tel: 607-2255300/ Fax: 607 – 2255310

Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	21 of 30

12.0 DIRECTORS AND SENIOR MANAGEMENT REMUNERATION

- 12.1 The Company shall set the policies and procedures for Board and senior management remuneration at levels which are sufficient to attract and retain the individuals required to run the Company successfully, taking into consideration all relevant factors including demands, function, workload, responsibilities, complexities and performance of the Company, as well as the required mix of skills and experience that is uniquely suited to the Company's business operations.
- 12.2 The remuneration for INED shall not be in conflict with their obligation to bring objectivity and independent judgement on matters discussed at board meetings. As such, INED's remuneration is a matter for the Board as a whole whereby individual director shall abstain from the discussion of his or her own remuneration.
- 12.3 The NED shall be rewarded with directors' fees which are approved by shareholders at the AGM and are paid on a quarterly basis. The NED are also paid meeting allowance for every meeting attended.
- 12.4 The level of remuneration for the directors and senior management shall be reviewed by the NRC on an annual basis. On the recommendation of the NRC, the remuneration package for each director shall be approved by the Board.
- 12.5 Fees payable to NED shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. Salaries payable to executive directors may not include a commission on or percentage of turnover. The fees of directors, and any benefits payable to directors shall be subject to annual shareholders' approval at a general meeting.
- 12.6 The level of remuneration for the President and CE and executive directors is determined by the Board, on the recommendation of the NRC, after giving consideration to the compensation levels for comparable positions among other similar Malaysian listed companies.
- 12.7 The Company shall disclose details of individual director's remuneration on a named basis in its annual report. In the case of senior management, the Company however believes that such disclosure is not in the best interest of the shareholders and the Group. The senior management of the Group are remunerated based on accepted industry benchmarks.



Ranhill

RANHILL HOLDINGS BERHAD Registration No. 201401014973 (1091059-K)

Bangunan Ranhill SAJ, Jalan Garuda, Larkin, 80350 Johor Bahru, Johor
Tel: 607-2255300/ Fax: 607 – 2255310

Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	22 of 30

13.0 BOARD MEETING

- 13.1 The Board shall conduct at least 4 scheduled meetings annually, with additional meetings to be convened as and when necessary.
- 13.2 A director or the company secretary, if requested by a director to do so, may convene a Board meeting by serving notice of such meeting to every directors.
- 13.3 A Board meeting may be held either:
- By a number of the Directors who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or
 - Subject to the MMLR and the rules of BMSB, by means of audio, or audio and visual, communication by which all directors participating and constituting a quorum can simultaneously hear each other throughout the meeting.
- 13.4 The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed 2 directors shall form a quorum. No business may be transacted at a meeting of the Board if a quorum is not present.
- 13.5 Questions arising at any meeting shall be decided by a majority of votes. Every Director has 1 vote. In cases of an equality of votes, the chairman of the meeting shall have a second or casting vote except where 2 directors form a quorum and only such a quorum is present or at which only 2 directors are competent to vote on the question at issue, subject always to the MMLR and the rules of BMSB.
- 13.6 A resolution in writing, signed or assented to by all the directors then entitled to receive notice of the meeting of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held. Any such resolution may consist of several documents, including facsimile or other means of communication, in similar form, each signed or assented to by one or more directors.
- 13.7 All directors shall be provided with the performance and progress reports on a timely basis prior to the scheduled Board meetings. A full agenda of the meeting and complete and accurate Board papers shall be distributed at least 5 business days in advance to ensure the directors are well informed and have the opportunity to seek additional information, and are able to obtain further clarification from the management and the company secretary, should such a need arise. Where necessary, the services of other senior management or external consultants shall be arranged to brief and help the directors clear any doubt or concern.



Ranhill

RANHILL HOLDINGS BERHAD

Registration No. 201401014973 (1091059-K)

Bangunan Ranhill SAJ, Jalan Garuda, Larkin, 80350 Johor Bahru, Johor

Tel: 607-2255300/ Fax: 607 – 2255310

Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	23 of 30

13.8 All Board members should ensure that the minutes of meetings accurately reflect the deliberations and decisions of the Board, including whether any director abstained from voting or deliberating on a particular matter.

14.0 BOARD EVALUATION

14.1 The Board shall conduct a formal and objective annual evaluation of individual performance of a director (including independence of the directors), collective performance of the Board and each Board Committee.

14.2 The Board may periodically engage independent experts to facilitate objective and candid Board evaluations which will lead to greater objectivity to the assessment by providing an unbiased perspective on a director's performance and his ability to contribute effectively to the Board.

14.3 The set of criteria for the assessment of all directors including independent directors are enumerated below:-

Criteria for Board evaluation:-

- Assessment of achievement against mandate.
- Evaluation of organisation performance against industry norms and measurement of performance indicators.
- Dealing fairly with staff and others.
- Achievement of Board objectives, quality of decisions (value-adding).
- Ability to conduct business honestly, ethically and professionally.
- Effective committee structures.
- Collective responsibility and teamwork demonstrated.
- Compliance with Code of Corporate Governance.
- Frequency and duration of board meetings appropriate; quality of board papers; relevance and completeness of agendas.
- Information and advice received was relevant, adequate and timely.
- Effective reporting – disclosure, transparency, clarity.
- Monitoring and feedback process effective.
- Ability to innovate, change, improve and learn.
- Ability to interact with shareholders effectively.

Criteria for Individual Director evaluation:-

- Attendance at Board meetings and level of preparation at meetings.
- Commitments to serve the Company in terms of time, team player, effort, contribution, due diligence and integrity.
- Character and integrity in dealing with conflict of interest or potential conflict of interest situations.
- Will and ability to critically challenge and ask the right questions.
- Exposure to orientation, upgrading knowledge base.



Ranhill

RANHILL HOLDINGS BERHAD Registration No. 201401014973 (1091059-K)

Bangunan Ranhill SAJ, Jalan Garuda, Larkin, 80350 Johor Bahru, Johor
Tel: 607-2255300/ Fax: 607 – 2255310

Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	24 of 30

- Knowledge of the Company, the Group and industry.
- Understanding of the Company's mission, vision, and strategic plans.
- Bringing special expertise to the Board.
- Confidence to stand up for a point of view.

Criteria for Board Independence:-

The independence of a director is assessed in accordance with Ranhill's Policy on Independence of Directors. The Board reviews the independence of directors before they are appointed, on an annual basis and at any other time where the circumstance of a director changes and reassessment is warranted.

In accordance with the policy, the Board considers all relevant facts and circumstances. Relationships that the Board will take into consideration when assessing independence are whether a director:-

- Is a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company;
- Is employed, or has previously been employed in an executive capacity by the company or another Group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- Is, or has within the last three years been, a partner, director or senior employee of a material professional adviser to the company or another Group member;
- Is, or has been within the last three years, in a material business relationship with the company or another Group member, or an officer of, or otherwise associated with, someone with such a relationship;
- has a material contractual relationship with the company or another Group member other than as a director;
- has close family ties with any person who falls within any of the categories described above; or has been a director of the company for such a period that his or her independence may have been compromised.

The test of whether a relationship or business is material is based on the nature of the relationship or business and on the circumstances and activities of the director. Materiality is considered from the perspective of the company and its Group members, the persons or organisations with which the director has an affiliation



Ranhill

RANHILL HOLDINGS BERHAD Registration No. 201401014973 (1091059-K)

Bangunan Ranhill SAJ, Jalan Garuda, Larkin, 80350 Johor Bahru, Johor
Tel: 607-2255300/ Fax: 607 – 2255310

Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	25 of 30

and from the perspective of the director. To assist in assessing the materiality of a supplier or customer the Board has adopted the following materiality thresholds:-

- a material customer is a customer of Ranhill which accounts for more than 2% of Ranhill’s consolidated gross revenue; and
- a supplier is material if Ranhill accounts for more than 2% of the supplier have consolidated gross revenue.

14.4 The Board should disclose the assessment carried out and its outcome in accordance with the requirements of the MCCG, MMLR, and other applicable laws.

15.0 CODE OF CONDUCT AND BUSINESS ETHICS (CCBE) POLICY AND PROCEDURES

15.1 The directors and all employees of the Group shall observe the Company’s CCBE which cover the following core areas:-

- Workplace culture;
- Conflict of interest;
- Safeguarding against bribery, corruption, power abuse, insider trading, money laundering and unethical practices;
- Donation;
- Protecting Ranhill; and
- Dealing with business partners and outsiders

15.2 Where any of the Board members has an interest in a transaction entered into by the Company or the Group, he/she shall declare his/her interest, abstain from any deliberation and decision making. If necessary, he/she may be required to excuse himself/herself from the meeting in respect of that transaction.

15.3 Directors are required to sign off the Acknowledgement and Declaration Form of CCBE.

15.4 The CCBE is published on the Company’s website.

16.0 WHISTLEBLOWING POLICY AND PROCEDURES

16.1 The directors shall also observe the Whistleblowing Policy and Procedures of the Group which is developed to manage improper conduct such as criminal activity, breach of legal obligation (including negligence, breach of contract, breach of law), miscarriage of justice, danger of health and safety or to the environment.



Ranhill

RANHILL HOLDINGS BERHAD Registration No. 201401014973 (1091059-K)

Bangunan Ranhill SAJ, Jalan Garuda, Larkin, 80350 Johor Bahru, Johor
Tel: 607-2255300/ Fax: 607 – 2255310

Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	26 of 30

16.2 The policy sets out avenues where legitimate concerns can be objectively investigated and addressed. Employees shall be able to raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal. The policy covers areas from lodging of reports to investigation and corrective actions that are required to be taken.

17.0 BOARD DYNAMICS AND RIGHTS

17.1 Financial positions and future prospects

The Board shall present a clear and balanced assessment of the Company's financial position and future prospects submitted to regulators and other stakeholders.

17.2 Financial Statements

The Board shall ensure that the financial statements are prepared in accordance with the CA 2016 and applicable approved accounting standards, so as to give a true and fair view of the state of affairs of the Group and the Company.

17.3 Enterprise risk management system and internal control

The Board shall ensure that an enterprise risk management system is in place and practised, and the system of internal controls is reviewed on a regular basis and complied with.

17.4 Updating shareholders and investors on material business matters

The Board shall keep the shareholders and investors informed of all material business matters affecting the Group by adopting an open and transparent Corporate Disclosure Policy.

17.5 Right to resources ¹¹

Subject to the provisions in the applicable laws, every director shall have the right to the resources, whenever necessary and reasonable for the performance of his duties, at the cost of the Company and in accordance with the Board's procedure, including but not limited to:-

- a) full and unrestricted access to any information pertaining to the Group and the Company;

¹¹ Paragraph 15.04 of the MMLR.



Ranhill

RANHILL HOLDINGS BERHAD Registration No. 201401014973 (1091059-K)

Bangunan Ranhill SAJ, Jalan Garuda, Larkin, 80350 Johor Bahru, Johor
Tel: 607-2255300/ Fax: 607 – 2255310

Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	27 of 30

- b) obtaining full and unrestricted access to the advice and services of the company secretary; and
- c) obtaining independent professional or other advice.

18.0 MANAGEMENT

- 18.1 The Board has delegated its authority to the President and CE and the senior management to manage the Company and Group in accordance with the strategic direction and delegation of the authority set by the Board.
- 18.2 The President and CE, assisted by his senior management including Executive Directors (as the case may be), serves as a conduit between management and the Board and is responsible to spearhead the business through effective implementation of the Company's strategic plan and policies established by the Board and managing the daily operations of the Company.
- 18.3 In discharging the above responsibilities, the President and CE can delegate appropriate functions to any member of the senior management including Executive Directors who shall report to the CEO, but accountable to the Board.
- 18.4 The President and CE reports to the Board on the Group's performance from time to time and is accountable to the Board for the performance and proper management of the Group.
- 18.5 The Board shall have full and unrestricted access to management and information pertaining to the Group.

19.0 RELATIONSHIP WITH STAKEHOLDERS

- 19.1 The Board shall ensure that there is effective, transparent and regular communication with its stakeholders.
- 19.2 The Board shall adopt the following measures as means of communication to ensure there is effective, transparent and regular communication with the shareholders and other stakeholders:-
 - a) timely announcements and disclosures to BMSB, which includes quarterly financial results, material contract awarded, changes in the composition of the Group and any other material information that may affect investors' decision making;
 - b) analysts briefing;
 - c) press conference after each AGM or on a-need-to basis;



Ranhill

RANHILL HOLDINGS BERHAD Registration No. 201401014973 (1091059-K)

Bangunan Ranhill SAJ, Jalan Garuda, Larkin, 80350 Johor Bahru, Johor
Tel: 607-2255300/ Fax: 607 – 2255310

Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	28 of 30

- d) press statement;
- e) dialogue with shareholders at the AGM;
- f) ensure that the Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated; and
- g) adopt any other form of communication in disseminating information to shareholders and investors.

20.0 GENERAL MEETINGS

- 12.1 The Company shall hold its AGMs in accordance with the provisions of the CA 2016. All other general meetings other than AGMs shall be called extraordinary general meetings (EGM).
- 12.2 All general meetings shall be held at such time and place the Board shall determine. All directors of the Company shall attend the general meetings.
- 12.3 Under the MMLR and CA 2016, the notice convening an AGM shall be given to the shareholders at least 21 days prior to the meeting¹². Notwithstanding the foregoing, the Board seeks to provide the notice convening an AGM at least 28 days prior to the meeting in order to afford the shareholders enough time to better review the proposed resolutions as well as to make arrangements to attend the AGM or to send proxies.
- 12.4 All directors should attend the AGMs. The chair of the Board Committees should provide meaningful response to any questions addressed to them.
- 12.5 The Company may leverage technology to enable the shareholders to participate at the general meetings in the following manner:-
 - a) voting in absentia; and
 - b) participation from different locations (remote participation).

21.0 COMPANY SECRETARY

- 21.1 The Board shall appoint a suitably qualified and competent company secretary who plays an important advisory role to the Board and Board Committees on issues relating to compliance with governance best practices, laws, rules,

¹² Paragraph 7.15 of the MMLR and Section 316(2)(a) of the CA 2016.



Ranhill

RANHILL HOLDINGS BERHAD Registration No. 201401014973 (1091059-K)

Bangunan Ranhill SAJ, Jalan Garuda, Larkin, 80350 Johor Bahru, Johor
Tel: 607-2255300/ Fax: 607 – 2255310

Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	29 of 30

procedures and regulations affecting the Company and Group. The company secretary shall possess the knowledge and experience to carry out his/her functions. These may include knowledge in company and securities law, finance, governance, company secretarial and other areas of compliance such as the provisions of the MMLR.

- 21.2 The company secretary shall be of a senior position with adequate authority and shall report directly to the Board. The removal of the company secretary shall be a matter for the Board as a whole.
- 21.3 The Board members have full and unlimited access to the professional advice and services of the company secretary.
- 21.4 Responsibilities of the company secretary include:-
- a) manage all Board and Board Committee meetings logistics, attend and record minutes of all Board and Board Committee meetings and facilitate board communications;
 - b) advise the Board on its roles and responsibilities;
 - c) facilitate the orientation of new directors and assist in director training and development;
 - d) advise the Board on corporate disclosure and compliance with company and securities regulations and listing requirements;
 - e) manage processes pertaining to the annual shareholders meeting;
 - f) monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and
 - g) serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

22.0 REVIEW OF THE BOARD CHARTER

- 22.1 This Charter and any subsequent amendment to it shall only be approved by the Board.
- 22.2 This Charter and the Terms of Reference of each Committee established by the Board shall 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.



Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
Procedure Number	RANHILL-COSEC-BC-001	Page	30 of 30

22.3 This Charter is made available for reference on the Company's website at www.ranhill.com.my.

23.0 APPENDICES

- APPENDIX I : TERMS AND REFERENCE OF AUDIT COMMITTEE;
- APPENDIX II : TERMS AND REFERENCE OF NOMINATING AND REMUNERATION COMMITTEE;
- APPENDIX III : TERMS AND REFERENCE OF GOVERNANCE AND RISK MANAGEMENT COMMITTEE; AND
- APPENDIX IV : TERMS OF REFERENCE OF LONG TERM INCENTIVE PLAN COMMITTEE