



# **MENANG CORPORATION (M) BERHAD**

196401000240 (5383-K)

## **BOARD CHARTER**

### **1. Introduction**

The Board of Directors (“Board”) of MENANG CORPORATION (M) BERHAD (“Menang” or the “Company”) regards corporate governance as important principles and practices to be upheld, and will continuously strive to ensure that good corporate governance is implemented and carried out throughout the Company and its subsidiaries (“the Group”), wherever applicable, with the ultimate objective to adopt good governance practices as an integral part of business dealings and business culture.

The Company recognises the importance of the Board in providing a sound base for good corporate governance in the operations of the Company. This Board Charter serves as reference points for the operation of the Board of Menang and describes the functions of the Board and those functions delegated to the Management of the Company.

This Board Charter incorporates the Principles and Practices of the Malaysian Code on Corporate Governance (“the Code”), as considered appropriate and Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”) on corporate governance, certain aspects of the Company’s Constitution and relevant sections of the Companies Act 2016.

This Board Charter shall constitute and form an integral part of each Director’s duties and responsibilities, and the role the directors shall be clear, strengthened in all its relationships with the management and shareholders. In light of this, the responsibilities of the Board shall be set out in the Board Charter to ensure the understanding of management oversight, setting strategic direction that is premised on sustainability and promoting ethical conduct in business dealings. This Board Charter does not overrule any statutory requirements. To the extent of any conflict between the terms of this Board Charter and the Company’s Constitution, the Constitution shall prevail.

### **2. OBJECTIVES OF THE BOARD**

The primary responsibility of the Board is to uphold its fiduciary duties in the best interest of the Company. The Board is responsible for guiding and monitoring the business and the affairs of the Company.



## **MENANG CORPORATION (M) BERHAD**

196401000240 (5383-K)

### **3. ROLE OF THE BOARD**

- 3.1 The members of the Board of the Company have the duty to supervise the management of the business and affairs of the Company. The Board, directly and through its committees, shall provide direction to senior management, generally through the Group Managing Director / Group Chief Executive Officer, to act in the best interest of the Company. The best interest of the Company and its shareholders must be paramount at all times.
- 3.2 The Board is charged with leading and managing the Company in an effective and responsible manner. Each Director has a legal duty to act in the best interest of the Company. The Board sets the Company's values and standards and ensures that its obligations to its shareholders and stakeholders are understood and met.
- 3.3 The Board understands that the responsibility for good corporate governance rests with them and therefore strives to follow the principles and best practices stated in the Code.
- 3.4 The Company shall comply with the various guidelines issued by Bursa Malaysia Securities Berhad ("Bursa Securities") and the Securities Commission Malaysia.
- 3.5 The duties, powers and functions of the Board are governed by the Constitution of the Company, the Companies Act 2016, as amended from time to time and any re-enactment thereof, regulatory guidelines and requirements that are in force.
- 3.6 The Board shall assume the following responsibilities: -
  - a. Reviewing and adopting a strategic plan for the Group;
  - b. Establishing policies for strengthening the financial and operational performance of the Group and ensuring proper and effective execution of the policies;
  - c. Overseeing and evaluating the conduct of the Group's business to ensure the business is properly managed. This includes ensuring the solvency of the Group and the ability of the Group to meet its contractual obligations and to safeguard its assets;
  - d. Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
  - e. Reviewing the adequacy and the integrity of the Company and the Group's internal control systems and management information systems, including systems for compliance with applicable law, regulations, rules, directives and guidelines;



## **MENANG CORPORATION (M) BERHAD**

196401000240 (5383-K)

### **3. ROLE OF THE BOARD (continued)**

- f. Ensuring the conduct of the Group's business complies with applicable laws, regulations, rules and directives and guidelines;
- g. Appointing board committees to address specific issues, considering recommendations of the various board committees and discussing problems and reservations arising from these committees' deliberations and reports;
- h. Ensuring that the statutory accounts of the Company and the Group are fairly stated and conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;
- i. Ensuring that there is in place an appropriate succession plan for members of the Board and senior management;
- j. Formalising the Company's strategies on promoting sustainability, focusing on environmental, social and governance aspects.
- k. Ensuring the Group adheres to high standards of ethics and corporate behaviour through the Company's Code of Conduct & Ethics; and
- l. Developing and implementing an appropriate investor relations programme or shareholder communication policy for the Company.

### **4. BOARD STRUCTURE**

#### **4.1 Composition and Board Balance**

- 4.1.1 The Board should consist of individuals with diverse experiences, backgrounds and perspectives besides having high standards of professionalism and integrity. The composition and size of the Board should facilitate the making of informed and sound decisions.
- 4.1.2 The Board should consist of a minimum of two (2) Directors and maximum of nine (9) Directors. At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members shall be Independent Directors and one (1) Director of the Board member is a woman.
- 4.1.3 The Board shall include an appropriate balance of executive and non-executive directors (including Independent Non-Executive Directors) such that no individual or small group of individuals will dominate the Board's decision-making process.



## **MENANG CORPORATION (M) BERHAD**

196401000240 (5383-K)

### **4. ROLE OF THE BOARD (continued)**

4.1.4 The Board shall designate an Independent Non-Executive Director to whom shareholders' concerns can be conveyed if there are reasons that contact through the Chairman or the Group Managing Director / Group Chief Executive Officer have failed to resolve them.

4.1.5 In the event of any vacancy in the Board, resulting in non-compliance with paragraph 4.1.2 above, the Company must fill the vacancy within three (3) months.

#### **4.2 Appointments**

4.2.1 Appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation by the Nomination Committee.

4.2.2 Newly appointed Directors are expected to declare their time commitment to the Board, and to notify the Chairman of the Board if they sit in other listed corporations as a director.

4.2.3 A Director shall notify the Chairman before he/she accepts any new directorships in other public listed companies.

4.2.4 The number of directorships in listed companies held by any Board member at any one time shall not be more than five (5) companies.

4.2.5 The Company shall provide an orientation and education program for new Directors to the Board as an integral element of the process of appointing new Directors. Every new Director shall be given a comprehensive understanding on the operations of the Group.

#### **4.3 Re-election**

4.3.1 All Directors shall be subject to retirement by rotation at least once in every three (3) years in accordance with the MMLR, the Companies Act 2016 and the Company's Constitution.

4.3.2 The Director should achieve the minimum attendance for meetings and training as required by the MMLR and the Companies Act 2016 in order to be recommended by the Nomination Committee to be eligible for re-election of retiring Directors.



## **MENANG CORPORATION (M) BERHAD**

196401000240 (5383-K)

### **4. ROLE OF THE BOARD (continued)**

#### **4.4 Director's Training**

- 4.4.1 Every Director shall undergo continuous training programmes or seminars or necessary professional education at periodic intervals to enhance their skills and knowledge on relevant new laws and regulations and to keep abreast with the changing business environment within which the Group operates so as to enable them to effectively discharge their duties.
- 4.4.2 Every Director is encouraged to attend minimum one (1) training programme in a financial year.
- 4.4.3 All new Directors appointed to the Board shall participate in the Mandatory Accreditation Programme ("MAP") Part I within four (4) months and MAP Part II within 18 months from the date of appointment as prescribed by the MMLR.
- 4.4.4 The Board assisted by the Nomination Committee, shall on a continuous basis assess, evaluate and determine the training needs of the Directors and disclose in the annual report the trainings attended by the Directors. In exceptional circumstances, valid justification for non-attendance of any training by Directors for the financial year shall also be disclosed.

#### **4.5 Board Meetings and Procedures**

- 4.5.1 The Board shall meet at least four (4) times a year or more frequently when necessary. The notice and agenda of a Directors' meeting shall be given in writing at least seven (7) days prior to the meeting. Full and comprehensive board papers shall be circulated to all Directors well in advance of each Board Meeting.
- 4.5.2 The Board should record its deliberations and the decisions and resolutions carried at the Board Meetings with the assistance of the Company Secretary. The Board should review the minutes to ensure the completeness and accuracy of the minutes.
- 4.5.3 The Company shall provide to all Directors with timely and quality information and in the form and manner appropriate for them to discharge their duties effectively; and the Board members, where necessary may consult with experts and professionals for advice at the expense of the Company subject to Clause 4.6 of the Board Charter.



## **MENANG CORPORATION (M) BERHAD**

196401000240 (5383-K)

### **4. ROLE OF THE BOARD (continued)**

4.5.4 A formal schedule of matters should be reserved for the Board's deliberations and decisions to ensure the direction and control of the Company is firmly vested with the Board. The formal schedule of matters, amongst others, shall include:

- a. Review and approve strategic direction and business plans;
- b. Review and approve the financial statements of the Group for timely lodgement and release to relevant authorities and market;
- c. Review major risks and relevant measures deployed by management to address the risks;
- d. Establish and delegation of power to Board Committees and management team;
- e. Review and approve corporate exercise, restructuring plans, capital expenditure, disposal of capital items, funding requirements;
- f. Review and consider succession plan, evaluation of Board and Board Committees and individual Directors based on recommendations of Nomination Committee; (Refer to [Assessment Mechanism & Measurement System for Board of Directors & Individual Board Members](#))
- g. Review recommendation from the Remuneration Committee on remuneration packages of Directors and Senior Management;
- h. Review Group budgets;
- i. Review and ratify the related party transactions and recurrent related party transactions; and
- j. Approve the appointment and resignation of Directors, Company Secretary and Auditors.

### **4.6 Access to Information and Independent Professional Advice**

- 4.6.1 All Directors (executive and non-executive) have the same right of access to all information within the Group other than those provided at Directors' meetings which shall be made through a written request to the Chairman or Group Managing Director / Group Chief Executive Officer.
- 4.6.2 A record of submissions, papers and materials presented to the Board, is maintained and held by the Company Secretary together with minutes of meetings, and is accessible to Directors.
- 4.6.3 All Directors shall have access to the advice and services of the Company Secretary.



## **MENANG CORPORATION (M) BERHAD**

196401000240 (5383-K)

### **4. ROLE OF THE BOARD (continued)**

4.6.4 The full Board or in their individual capacity, in furtherance of their duties, shall be able to obtain an independent professional advice at the Group's expenses through an agreed procedure laid down by the Board.

#### **4.7 Code of Conduct & Ethics**

The Company has adopted a Code of Conduct & Ethics to be adhered to by the Directors and employees of the Company to ensure high ethical standards and conduct are maintained at all times.

- Refer to the Company's [Code of Conduct & Ethics](#).

#### **4.8 Tenure of Directors**

Pursuant to the Company's Constitution, all Directors must retire once at least every three (3) years and shall be eligible for re-election.

The tenure of an Independent Director should not exceed a cumulative term of twelve (12) years. Upon completion of twelve (12) years, an Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director.

The Board, subject to the assessment of the Nomination Committee on an annual basis, may recommend an Independent Director who has served a consecutive or cumulative term of nine (9) years to remain as an Independent Director with valid justifications and subject to annual shareholders' approval.

### **5. CHAIRMAN AND GROUP MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER**

The Company aims to differentiate between the Chairman and the Group Managing Director / Group Chief Executive Officer with a clear division of responsibility between running of the Board and the Company's business. The positions of Chairman and the Group Managing Director / Group Chief Executive Officer are separate and clearly defined.

#### **5.1 Chairman**

The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role. The Chairman is responsible for:

- Refer to [Specific roles of Chairman](#)



## **MENANG CORPORATION (M) BERHAD**

196401000240 (5383-K)

### **5. CHAIRMAN AND GROUP MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER (continued)**

The Company aims to differentiate between the Chairman and the Group Managing Director / Group Chief Executive Officer with a clear division of responsibility between running of the Board and the Company's business. The positions of Chairman and the Group Managing Director / Group Chief Executive Officer are separate and clearly defined.

#### **5.1 Chairman**

The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role. The Chairman is responsible for:

- Refer to [Specific roles of Chairman](#)

#### **5.2 Group Managing Director (“Group MD”) / Chief Executive Officer (“Group CEO”)**

The Group MD / Group CEO is the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions. The Group MD / Group CEO assumes the following responsibilities:

- Refer to [Specific roles of Group MD/Group CEO](#)

### **6. COMPANY SECRETARY**

The appointment and removal of the Company Secretary is a matter for the Board's consideration. The Company Secretary shall be suitably qualified, competent and capable of carrying out the duties required of the post.

The key role of the Company Secretary is to provide advice and services for the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.





## **MENANG CORPORATION (M) BERHAD**

196401000240 (5383-K)

### **6. COMPANY SECRETARY (continued)**

Other primary responsibilities of the Company Secretary shall include:-

- Preparing and circulating notices and agendas of Directors' Meetings and coordinating the preparation of the Board papers in a timely and effective manner;
- Ensure that Board procedures and applicable rules are observed;
- Maintaining records of the Board and ensure effective management of organisation's records;
- Preparing comprehensive minutes to document board proceedings and ensure conclusions are accurately recorded;
- Assisting the communications between the Board and Management;
- Advise the Board on corporate disclosure and compliance with company and securities regulations and listing requirements;
- Facilitate the orientation of new Directors and assist in Director's training and development;
- Monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;
- Serve as a focal point for stakeholders' communication and engagement on corporate governance issues; and
- Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.

### **7. BOARD COMMITTEES**

The Board shall delegate their powers and duties to the following Board committees which shall operate within defined terms of reference in accordance with the requirements of the MMLR.

#### **7.1 Audit and Risk Management Committee**

- Refer to the Terms of Reference of the [Audit & Risk Management Committee](#)

#### **7.2 Nomination Committee**

- Refer to the Terms of Reference of the [Nomination Committee](#)

#### **7.3 Remuneration Committee**

- Refer to the Terms of Reference of the [Remuneration Committee](#)



# **MENANG CORPORATION (M) BERHAD**

196401000240 (5383-K)

## **8. FINANCIAL REPORTING**

### **8.1 Transparency**

- 8.1.1 The Company shall present a clear and balanced assessment of the Group's financial position and future prospects includes price-sensitive information and other relevant reports submitted to regulators.
- 8.1.2 The Directors shall ensure that the financial statements are prepared so as to give a true and fair view of the current financial status of the Group in accordance with the approved accounting standards.
- 8.1.3 The Company's shall announce its quarterly financial results to Bursa Securities within two (2) months after the end of each quarterly financial period.
- 8.1.4 The Auditors' Report shall contain a statement explaining their responsibility in forming an independent opinion which shall be based on their audit of the financial statements.

### **8.2 Company Auditors**

- 8.2.1 The Board shall establish formal and transparent procedures for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company Auditors through its Audit and Risk Management Committee.
- 8.2.2 The Board through the Audit and Risk Management Committee shall review the scope and results of the audit, its cost effectiveness, independence and objectivity of the Company Auditors. The Company shall ensure that the Company Auditors shall not provide a substantial volume of non-audit services to the Company.
- 8.2.3 The Board through the Audit and Risk Management Committee shall review and monitor the suitability and independence of external auditors annually by establishing/adopting of policies and procedures:
  - a. in governing circumstances for contracts of non-audit services to be entered with external auditors and procedures that must be followed by the external auditors;
  - b. to assess the suitability and independence of external auditors; and
  - c. to obtain written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.



## **MENANG CORPORATION (M) BERHAD**

196401000240 (5383-K)

### **8. FINANCIAL REPORTING (continued)**

8.2.4 Appointment of the Company Auditors is subject to approval of shareholders at general meetings. The Company Auditors shall retire at the annual general meeting (“AGM”) every year and be re-appointed by shareholders for the ensuing financial year.

#### **8.3 Internal Controls and Risk Management**

8.3.1 The Board recognises the importance of sound internal control in the Company and in this regard, the Board through its Audit and Risk Management Committee shall ensure that there is an on-going process for identifying the level of risk tolerance and managing significant risks faced by the Company. The Board believes that maintaining a sound system of internal control is based on a clear understanding and appreciation of the following key elements:

- a. determining the Company’s level of risk tolerance and activity identified, assess and monitoring the key business risks to safeguard shareholders’ interests and the Company’s assets;
- b. commitment to articulate, implement and reviewing the Company’s internal control systems; and
- c. periodic testing of the effectiveness and efficiency of the internal controls procedures and processes to be conducted to ensure that the system is viable and robust.

#### **8.4 Internal Audit Function**

The Company’s internal audit function, which may be outsourced to a firm of consultants, shall provide the Board with the level of assurance required on the adequacy and integrity of the internal control system. The internal audit function adopts a risk-based approach, focusing mainly on key processes and principal risk areas of the operating units.

The objectives are to independently review the system of internal control as established by Management and make appropriate recommendations for improvement. The Company shall conduct at least one cycle of internal audit for each financial year and findings from the internal audit shall be communicated to the Audit and Risk Management Committee for review and endorsement.

The Audit and Risk Management Committee shall consider the internal audit reports and Management’s responses, before making recommendations to the Board.



## **MENANG CORPORATION (M) BERHAD**

196401000240 (5383-K)

### **9. INVESTOR RELATIONS AND EFFECTIVE COMMUNICATION**

The Board recognizes the need for effective investor relation and communication with shareholders, stakeholders, financial analysts by providing them with relevant information affecting the Company. The Company adopts an open and transparent policy in respect of its relationship with these stakeholders and ensures timely release of information to shareholders in accordance with the MMLR of Bursa Securities and our [Corporate Disclosure Policy](#) through the following manner:

- a. Engagements with shareholders and financial analysts about the performance, corporate exercises and other matters affecting shareholders' interests;
- b. Press conference and release of press statement after General Meetings (if any); and
- c. Company's website updated as per the MMLR.

### **10. GENERAL MEETINGS**

- 10.1 The Company regards the general meetings as the principal forum for dialogue with shareholders and aims to ensure that the general meetings provide an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.
- 10.2 General meetings provide avenues for shareholders to exercise their ownership rights. The Board shall facilitate the exercise of these rights and take reasonable steps to encourage shareholders participation at general meetings. The Board shall disclose all relevant information to shareholders to enable them to exercise their rights to vote in the appropriate manner at the general meetings.
- 10.3 All members of the Board and the Chair of each of the Board Committees shall be in attendance at all general meetings.

### **11. SUSTAINABILITY AND SOCIAL RESPONSIBILITY**

The Board will determine the overall strategies that promote sustainability and stakeholders' interests. In this regard and through the Audit and Risk Management Committee, the needs and interests of the stakeholders and the effect on the community is taken into consideration in decision making.



## **MENANG CORPORATION (M) BERHAD**

196401000240 (5383-K)

### **11. SUSTAINABILITY AND SOCIAL RESPONSIBILITY (continued)**

#### **11.1 Employees**

Employees are invaluable assets of the Company and play a vital role in assisting the Company to achieve its vision and mission. The Company endeavours to provide a conducive working environment in their workplace by enforcing and adhering to Occupational Safety and Health measures with the objective of ensuring a secured, safe and healthy workplace for all employees. Safety consciousness must be instilled in all operations.

#### **11.2 Environment**

The Board acknowledges the need to safeguard and minimize the impact of the Company's operations on the environment in the course of achieving the Company's objectives. The Board supports initiatives on environmental issues, and the Group adopts a comprehensive environmental management system as part of its commitment to protect the environment and contribution towards sustainable development.

#### **11.3 Social Responsibility**

The Company should play an important role in contributing towards the welfare of the community in which it operates, and shall continuously identify opportunities supporting charitable causes and initiatives in community development projects.

### **12. WHISTLE BLOWING**

The Company encourages its employees and other stakeholders (shareholders, suppliers, customers, partners, business associates) to report genuine concerns about any malpractice, misconduct, unethical behaviour, violation of code of conduct, illegal acts or failure to comply with regulatory requirements which they may become aware. The Company assures that the whistle blower will be protected from any retaliation or adverse impact on his employment or relationship with the Group, provided that the report is made in good faith and without malice.

All reports shall be made in accordance with the Company's [Whistle Blowing Policy and Procedures](#).