



UEM SUNRISE BERHAD

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BOARD CHARTER

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TABLE OF CONTENTS

	<u>Page</u>
1. INTRODUCTION	1
2. DUTIES AND RESPONSIBILITIES OF THE BOARD	1
3. COMPOSITION AND STRUCTURE OF THE BOARD	5
4. COMMITMENT	10
5. DIRECTORS TRAINING AND CONTINUOUS EDUCATION	10
6. NON-EXECUTIVE DIRECTORS' REMUNERATION	10
7. THE CHAIRMAN	10
8. RELATIONSHIP BETWEEN BOARD AND MANAGEMENT	11
9. THE MANAGING DIRECTOR AND/OR CHIEF EXECUTIVE OFFICER	12
10. INDEPENDENT EXTERNAL ADVICE	12
11. COMPANY SECRETARY	12
12. BOARD COMMITTEES	13
13. ASSESSMENT AND EVALUATION OF BOARD PERFORMANCE	15
14. MEETINGS OF THE BOARD	15
15. REVIEW OF BOARD CHARTER	15
16. ACCESS TO THIS BOARD CHARTER	16

UEM SUNRISE BERHAD

BOARD CHARTER

1. INTRODUCTION

- 1.1 The Board of Directors ("Board") of UEM Sunrise Berhad ("UEM Sunrise" or the "Company") is collectively responsible for the long-term success of the Company and its subsidiaries (collectively, the "Group") and the delivery of durable and sustainable value as well as main confidence of its stakeholders. The Board recognises that developing a robust and sound framework of corporate governance, integration of sustainability considerations in corporate strategy, governance and decision-making, and promoting a culture of integrity and transparency throughout UEM Sunrise Group are vital to the success of the Company and the Group. The Board remains committed to strengthening the Group's governance processes to ensure that the business as a whole is aligned with the best practices of corporate governance. The Board is also committed to govern and set the strategic direction of the Company and providing thought leadership in exercising oversight on Management and enforces a zero-tolerance approach towards all forms of corrupt acts in its business conduct and operations.
- 1.2 This Board Charter has been adopted by the Board and sets out the principles governing the Board. It is designed to enhance the standards of corporate governance with the intention of achieving the following:
- 1) to enable the Board to provide strategic guidance and effective oversight of the Group;
 - 2) to establish, review and together with Management implements adequate procedures and Anti-Bribery Management System ("ABMS") for the Group;
 - 3) to clarify the roles and responsibilities of the members of the Board and Management to facilitate the Board's and Management's accountability to the Company and its shareholders;
 - 4) to set out matters reserved for consideration and approval by the Board; and
 - 5) to assist the Board in the assessment of its own performance and of its individual Directors.
- 1.3 The Board is governed by the Company's Constitution, Companies Act 2016, Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Capital Markets and Services Act 2007 and Malaysian Code on Corporate Governance ("MCCG") as well as guided by the Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries issued by Securities Commission Malaysia.

2. DUTIES AND RESPONSIBILITIES OF THE BOARD

- 2.1 The Board has the overall responsibility of directing and supervising the business and affairs of the Group. In carrying out its role, the Board assumes the main duties and responsibilities include, among others, but not limited to the following:

2.1.1 **Strategic and Financial Objectives of the Group**

- 1) Review and adopt the strategic and annual plans and directions for the Group.
- 2) Review and approve the annual budgets, including major capital commitments.
- 3) Oversee the conduct of the Group's business to evaluate whether the business is being properly managed. To discharge this duty, the Board will, amongst others, give specific and regular attention to:
 - a) monitoring performance against strategic and business plans;
 - b) monitoring performance against peer and competitor companies;
 - c) enquiring into and following up on areas of poor performance and their causes; and
 - d) reviewing, challenging and deciding on Management's proposals for the Group and monitoring its implementation by Management.
- 4) Ensure that financial statements are prepared in accordance with the Companies Act 2016 and applicable approved accounting reporting standards, and review the financial statements so as to give a true and fair view of the state of affairs of the Company and the Group.
- 5) Together with Senior Management, promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour.
- 6) Ensuring the integrity of the Group's financial and non-financial reporting.
- 7) Set and review a formal schedule of matters specifically reserved to the Board for decision to ensure the direction and control of the Group are firmly in the Board's hands.

2.1.2 **Human Capital**

- 1) Succession planning, including appointment, training, reviewing the compensation and retention or replacement of Board members, Managing Director and/or Chief Executive Officer and Senior Management.
- 2) Ensure an appropriate process is in place to recruit, remunerate, retain, develop, supervise, review and assess the performance of the Managing Director and/or Chief Executive Officer and Senior Management.

2.1.3 ***Adequate Procedures Guidelines and corruption prevention***

- 1) Act as the governing body who is ultimately responsible and accountable for the implementation of adequate procedures and ABMS. This includes demonstrating top level commitment and taking overall responsibility for ensuring that the Company:
 - a) practises the highest level of integrity and ethics;
 - b) complies fully with applicable laws and regulatory requirements on anti-corruption;
 - c) effectively manages the key corruption risks of the organisation; and
 - d) provides assurance to stakeholders on the effectiveness of the anti-corruption programme.
- 2) Ensure that corruption risk assessment is conducted.
- 3) Ensure that control measures for corruption prevention are put in place.
- 4) Ensure that there is systematic review, monitoring and enforcement of the Company's anti-corruption policy.
- 5) Ensure that there is training and communication to raise awareness on the Company's anti-corruption policy and programme.
- 6) Oversee the establishment of an integrity and governance unit structure that reports to the Board Governance & Risk Committee, which reports directly to the Board but where necessary, the integrity and governance unit may report directly to the Board.
- 7) Oversee the development and implementation of an anti-corruption compliance programme.
- 8) Maintain a firm stance in encouraging the reporting of unlawful or unethical behaviour and ensuring employees and Management are assured of protection where violations are reported in good faith.
- 9) Decide all cases related to corruption, red flags and corruption risks arising from weaknesses in the ABMS and to report to Malaysian Anti-Corruption Commission ("MACC") and/or other regulatory bodies.

2.1.4 ***Risk and Compliance Management and Internal Controls***

- 1) Approve and monitor the Group's risk management strategy, internal controls and reporting systems (including their establishment and maintenance), evaluate their effectiveness and identify and rectify significant deficiencies.

- 2) Set the risk appetite within which the Board expects Management to operate and ensure implementation of appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks.
- 3) Identify the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risk.
- 4) Review the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
- 5) Approve, review and monitor compliance with key corporate policies.
- 6) Review any litigation, actions, transactions and issues, papers and reports to external/third parties which impact the Company and may attract adverse public, government, regulatory or other interest.

2.1.5 ***Sustainability and Stakeholders' Communication***

- 1) Setting the Company's sustainability strategies, priorities and targets and be responsible together with Management for the governance of sustainability in the Company.
- 2) Take appropriate action to ensure the Board stays abreast with and understands the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities.
- 3) Formalise key sustainability initiatives, review performance of Board and Senior Management in addressing the Company's material sustainability risks and opportunities and recommend improvements, which include environmental, ethical, social and governance aspects of the business to ensure the Company's strategic plan supports long-term value creation.
- 4) Develop and implement an investor relations programme or shareholder communication policy for the Group.
- 5) Cascade understanding that sustainability brings long-term value to the Group.
- 6) Encourage the Group to leverage on up-to-date information technology to deliver material information.
- 7) Ensure that the Company has in place procedures that enable effective, transparent and regular communication with its internal and external stakeholders, including reporting on sustainability strategies, priorities and targets as well as performance against these targets.

2.2 Each Director has a legal and fiduciary duty to exercise his/her powers for a proper purpose and in good faith in the best interest of the Company. The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders for the manner in which the affairs of the Company are managed. The Board sets the Company's values and standards and ensures that its obligations to its shareholders and stakeholders are understood and met.

2.3 **Code of Conduct**

2.3.1 The Directors are expected to conduct themselves with the highest standards of integrity and ethics and should have a clear understanding of the aims and purpose, capabilities and capacity of the Company. All Directors and employees are expected to devote sufficient time and effort to carry out their responsibilities, act with integrity and behave ethically and professionally at all times, thereby protecting and promoting the reputation and performance of the Company. The Company communicates its Code of Conduct to all Directors and employees upon their appointment/employment and is deemed to be part of the Terms and Conditions for/of Service.

2.3.2 Directors are required to declare their respective shareholdings, direct or indirect if any, in the Company and related companies and their interests, direct or indirect, in contracts or proposed contracts with the Company or any of its related companies. The Directors concerned are to abstain from deliberating and voting in relation to these transactions or in matters affecting their personal, business or professional interests.

2.3.3 Each Director will, at all times act honestly, fairly and diligently in all respects in accordance with the laws applicable to the Company.

3. **COMPOSITION AND STRUCTURE OF THE BOARD**

3.1 The Board consists of qualified individuals with diverse set of skills, experience and knowledge necessary to govern the Company. The composition and size of the Board is such that it facilitates decision-making.

3.2 The Board is constituted in accordance with the Company's Constitution. The Company's Constitution provides for a minimum of two (2) directors and a maximum of fifteen (15) directors.

3.3 At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members are Independent Directors in compliance with the Listing Requirements. In advancing a more effective oversight of Management, the Board should comprise a majority independent directors. In the event of any vacancy in the Board resulting in non-compliance with the Listing Requirements, the Company must fill the vacancy within 3 months.

3.4 **Diversity**

- 3.4.1 The Board aims to build an organisation that fosters diversity, equity and inclusion by promoting a culture that respects and appreciates differences, advocates equality and encourages individuals to grow and develop to reach their full potential. The Board is committed to ensure sufficient diversity in its composition in line with UEM Sunrise's Diversity, Equity and Inclusion Policy towards an inclusive Board to achieve effective stewardship and management and be able to respond to challenges to maintain UEM Sunrise's competitive advantage.
- 3.4.2 The Board, through the Nominations & Remuneration Committee, will take steps to ensure that women candidates are sought as part of its recruitment exercise. To promote gender diversity and a healthy boardroom dynamism, the Board will ensure that it comprises at least 30% women directors and where the composition falls below 30%, it will actively work towards meeting this ratio and disclose the action it has or will be taking to achieve the 30% ratio. The Board will review the participation of women in senior management to ensure there is a healthy talent pipeline.

3.5 **Appointments and Re-election**

- 3.5.1 The appointment of a new Director is a matter for consideration and decision by the Board, upon the recommendation from the Nominations & Remuneration Committee. In making the recommendations, the Nominations & Remuneration Committee will consider the required mix of skills, experience and diversity, including gender, where appropriate, which the Director brings to the Board.
- 3.5.2 Appointment of Director is based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.
- 3.5.3 In identifying candidates for appointment of Directors, the Board, through Nominations & Remuneration Committee, does not solely rely on recommendations from existing Board members, Management or the major shareholders. The Nominations & Remuneration Committee takes a proactive role in sourcing and to cast the net wide for the best in breed selection and appointment of directors which may include utilising independent sources to identify suitably qualified candidates from a directors' registry, open advertisements or the use of independent search firms.
- 3.5.4 The Company's Constitution provides that every newly appointed Director be subjected to re-election at the immediate Annual General Meeting ("AGM"). Further, one third (1/3) of the Board shall retire from office and be eligible for re-election at every AGM, and all the Directors shall submit themselves for re-election at least once every three (3) years. The Board shall provide a statement on its support and reasons for Directors' appointment or re-appointment.

- 3.5.5 All new Directors appointed to the Board shall receive a formal induction programme to be provided by the Managing Director and/or Chief Executive Officer and Senior Management.
- 3.5.6 All Directors are required to disclose and avoid situations where there may be real, potential or perceived conflict of interest so as to preserve the interest of the Company in accordance to UEM Sunrise Conflict of Interest Policy.
- 3.5.7 No person shall be appointed, re-appointed, elected or re-elected as a Director on the Board or continue to serve as a Director if the person is or becomes an active politician. A person is considered an "active politician" if he/she is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.

3.6 ***Independent Directors***

- 3.6.1 The Board acknowledges the importance of Independent Directors who are tasked with ensuring that there is proper check and balance on the Board as they are able to provide unbiased and independent views in Board deliberations and decision-making of the Board taking into consideration the interests of the Group and the minority shareholders.
- 3.6.2 A Director will be considered independent if he has no material relationship with the Company that may interfere with the exercise of his independence from Management and the Company and subject to the requirements as stated in the Listing Requirements. Family ties and cross-directorships may be relevant in considering interests and relationships which may compromise independence, and should be disclosed by the Directors to the Board.
- 3.6.3 The Board undertakes to assess the independence of Independent Director(s) upon his/her proposed appointment, annually and when any new interest or relationship develops.
- 3.6.4 The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon the completion of the nine (9) years, the Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director.
- 3.6.5 The Company shall not retain an Independent Director for a period of more than nine (9) years.

3.7 ***Senior Independent Director***

- 3.7.1 The Board shall appoint a Senior Independent Director from among its Independent Non-Executive Directors.
- 3.7.2 The selection of the Senior Independent Director should take into account factors such as seniority in terms of years spent on the Board, industry experience and the significant influence he/she has within the Board including ability to convey concerns of the Directors to the Chairman and/or other members of the Board.

3.7.3 The Senior Independent Director will be expected to play the following roles:

- 1) acts as a sounding board to the Chairman;
- 2) serves as an intermediary for other Directors when necessary;
- 3) acts as a point of contact for shareholders and other stakeholders particularly on concerns which cannot be resolved through the normal channels of the Chairman and/or Managing Director and/or Chief Executive Officer;
- 4) provides leadership support and advice to the Board in the event the Board is undergoing a period of stress;
- 5) leads, together with the Chair of the Nominations & Remuneration Committee, the succession planning and appointment of Directors, and oversee the development of a diverse pipeline for board and management succession, including the future Chairman and Managing Director and/or Chief Executive Officer; and
- 6) leads, together with the Chair of the Nominations & Remuneration Committee, the annual review of Board effectiveness together with Nominations & Remuneration Committee, ensuring that the performance of each individual Director and Chairman of the Board are assessed objectively and holistically.

3.8 The Nominations & Remuneration Committee should ensure that the composition of the Board is refreshed periodically. The tenure of each Director should be reviewed by the Nominations & Remuneration Committee and annual re-election of a Director should be contingent on satisfactory evaluation of the Director's performance and contribution to the Board.

3.9 ***Directors' Fit and Proper Policy***

3.9.1 All members of the Board are required to have the necessary qualities, competencies and experience that allows them to perform their duties and carry out the responsibilities required of the position in the most effective manner.

3.9.2 The fit and proper assessment shall be conducted for any person identified to be appointed as a Director or Directors continuing to hold office within UEM Sunrise Group, prior to the initial appointment or proposed re-election/re-appointment as a Director. The fit and proper assessment on a Director may also be conducted in circumstances which may result in a Director's fitness and propriety to be materially compromised.

3.9.3 Any person to be appointed as a Director or continuing to hold the position as a Director must not be disqualified and has been assessed to have all the fit and proper criteria relating to:

- Character and Integrity;
- Experience and Competence; and
- Time and Commitment.

3.9.4 The Nominations & Remuneration shall determine the specific factors for its consideration in a fit and proper assessment, having regard to the circumstances and requirements relevant to UEM Sunrise. The factors to be considered in assessing the fit and proper criteria include, but are not limited to the following:

- (i) Character and Integrity
 - *Reputation* – whether the person is of good repute in the financial and business community, has not been the subject of any civil or criminal proceedings or enforcement action in managing or governing an entity for the past 10 years and has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management.
 - *Probity* – whether the person is compliant with the legal obligations, regulatory requirements and professional standards where applicable, has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law and has not contravene any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice.
 - *Personal Integrity* – whether the person has engaged in any business practices which are deceitful, oppressive, improper (whether unlawful or not), or which otherwise reflect discredit on his/her professional conduct; whether the person has been dismissed, asked to resign or has resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions about his/her honesty and integrity; and has not abused other positions in a manner that contravenes the principles of good governance.
 - *Financial Integrity* – whether the person manages personal debts or financial affairs satisfactorily and demonstrates the ability to fulfil personal financial obligations as and when they fall due.
- (ii) Experience and Competence
 - *Qualifications, Experience and Skills* – whether the person has the appropriate qualification, training, skills, practical experience and commitment to effectively fulfil the role and responsibilities of the position and in the case of directors, having regard to their other commitments.
 - *Track Record* – whether the person has satisfactory past performance or expertise in the nature of the business being conducted and possesses leadership capabilities with a high level of emotional intelligence.
- (iii) Time and Commitment
 - *Ability to Discharge Role* – whether the person is able to devote time as a Director, having factored other outside obligations including concurrent board positions held by the Director across listed issuers and non-listed entities.
 - *Participation and Contribution* – whether the person is willing to devote time and effort to understand the business and participate actively in Board activities and exhibits ability to articulate objective and constructive view with an open mind

giving due regard to the views of others in order to make considered judgment.

3.9.5 All new Directors appointed to the Board or Directors continuing to hold office shall be required to make the fit and proper declaration or in such other forms as the Nominations & Remuneration Committee may from time to time prescribe or approve.

4. COMMITMENT

- 4.1 Directors shall devote time and effort to attend meetings and to know what is required of the Board and each of its members, and to discharge those functions.
- 4.2 Directors shall limit their directorship of companies to a number in which they can sufficiently devote their time and maintain effectiveness.
- 4.3 All Board members is expected to notify the Chairman of the Board before accepting any new directorship in listed issuers. The notification shall include an indication of time that will be spent on the new appointment. The Chairman shall also notify the Board if he/she has any new directorship or significant commitments outside the Company.

5. DIRECTORS TRAINING AND CONTINUOUS EDUCATION

- 5.1 The Board shall assess the training needs of its members from time to time and will ensure that they have access, at the Company's expense, to appropriate continuing education programmes to update their knowledge and enhance their skills to sustain their active participation in Board deliberations.
- 5.2 Directors are expected to keep themselves abreast of changes and trends in the economic, social and legal environment affecting the Company's business and markets as well as sustainability issues including climate-related risks and opportunities.

6. NON-EXECUTIVE DIRECTORS' REMUNERATION

- 6.1 Non-Executive Directors will receive a fixed base fee, not by a commission or on percentage of profits/turnover, as consideration for their Board duties. The aggregate amount of directors' fees and benefits to be paid to Non-Executive Directors is subject to the approval of the shareholders at a General Meeting.
- 6.2 The remuneration of Directors shall take into account the demands, complexities and performance of the Company as well as skills and experience required and guided by the Remuneration Policy for Directors and Senior Management.

7. THE CHAIRMAN

- 7.1 The Board is empowered by the Company's Constitution to appoint a Chairman and to determine the period he is to hold office.

- 7.2 The Chairman of the Board shall be a non-executive member of the Board.
- 7.3 The Chairman of the Board shall not be a member of the Audit Committee and Nominations & Remuneration Committee to ensure check and balance as well as objective review by the Board.
- 7.4 The responsibilities of the Chairman, amongst others, are as follows:
- 1) to lead the Board by setting the tone at the top and managing the Board's effectiveness by focusing on strategy, governance and compliance to discharge its responsibilities effectively;
 - 2) to lead the Board in the adoption and implementation of good corporate governance practices in the Company;
 - 3) to chair the Board meetings and ensure the efficient organisation and conduct of meetings;
 - 4) to set the Board agenda in consultation with the Managing Director and/or Chief Executive Officer and the Company Secretary and ensure that Board members receive complete and accurate information in a timely manner;
 - 5) to lead Board meetings and discussions and promote constructive and respectful relations between Directors, and between the Board and Management;
 - 6) to provide guidance and mentoring to the Managing Director and/or Chief Executive Officer;
 - 7) to ensure effective communication with shareholders and relevant stakeholders and that their views are communicated to the Board as a whole;
 - 8) to manage the interface between Board and Management; and
 - 9) to encourage active participation of the Board Members and allow dissenting views to be freely expressed.
- 7.5 The roles of the Chairman and the Managing Director and/or Chief Executive Officer are distinct and separate and are held by different individuals to promote accountability and facilitates division of responsibilities between them. In this regard, no one individual can influence Board's discussions and decision-making.

8. RELATIONSHIP BETWEEN BOARD AND MANAGEMENT

- 8.1 The Board delegates to the Managing Director and/or Chief Executive Officer the responsibility for the operation and management of the Company's business.
- 8.2 Non-Executive Directors may communicate with members of the Senior Management at any time. However, communications between the Non-Executive Directors and the Senior Management in relation to a specific issue or business matter should ordinarily be through the office of the Managing Director and/or Chief Executive Officer.
- 8.3 Senior Management and such other persons as may be decided by the Board from time to time shall attend the Board meeting by invitation.

9. THE MANAGING DIRECTOR AND/OR CHIEF EXECUTIVE OFFICER

- 9.1 The Managing Director and/or Chief Executive Officer is responsible for the day-to-day management and operation of the Company with all powers, discretions and delegations authorised, from time to time, by the Board. The Managing Director and/or Chief Executive Officer may delegate aspects of his/her authority and power but remains accountable to the Board for the Company's performance.
- 9.2 The responsibilities of the Managing Director and/or Chief Executive Officer include the following:
- 1) Develop and implement the corporate and financial strategies, annual budget and corporate performance targets of the Company in line with the Board's direction;
 - 2) Report/present to the Board on the current and future initiatives of the Company and bring material and other relevant matters to the attention of the Board in an accurate, timely and regular manner;
 - 3) Ensure the adequacy and integrity of the management information, financial control systems and internal control systems of the Company;
 - 4) Ensure that the Company has the appropriate risk management practices and policies in place;
 - 5) Oversee the operations and drive the Group's businesses and performance towards achieving its vision and goals;
 - 6) Assume full accountability to the Board for all aspects of the Company's operations and performance; and
 - 7) Maintain an effective communications policy and oversee shareholders' communications.
- 9.3 The Managing Director and/or Chief Executive Officer is to have a formal service contract describing his/her term of office, duties, rights and responsibilities and entitlements.

10. INDEPENDENT EXTERNAL ADVICE

- 10.1 The Board, each individual Director, or a Committee has the right to seek independent advice in relation to any Board matter, at the Company's expense. Prior to any engagement, consent is to be sought from the Chairman or Committee Chairman, as the case may be.
- 10.2 The Chairman or a Committee Chairman, as the case may be, may determine that any external advice received by an individual Director be circulated to the remainder of the Board.

11. COMPANY SECRETARY

- 11.1 The Board is supported by a suitably qualified and competent Company Secretary who is accountable to the Board and is responsible to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices. The roles and responsibilities of the Company Secretary include, but are not limited to the following:

- 1) organise Board and Committee meetings, attend and record the minutes thereof and facilitate Board communications;
- 2) prepare meeting agendas in consultation with the Chairman and the Managing Director and/or Chief Executive Officer;
- 3) compile and circulate Board meeting papers;
- 4) advise the Board on its roles and responsibilities;
- 5) advise the Board on corporate disclosures and compliance with procedural and regulatory requirements and securities regulations;
- 6) support the Board on adherence to Board policies and procedures;
- 7) provide a point of reference for dealings between Board and Management;
- 8) communicate with regulatory bodies and Bursa Securities;
- 9) attend to all statutory and other filings;
- 10) facilitate the orientation of new Directors and assisting in Directors' training and development;
- 11) manage processes pertaining to shareholders' meeting(s);
- 12) monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and
- 13) serve as a focal point for stakeholders' communication and engagement on corporate governance issues;

as well as ensure compliance with the statutory requirements of the Companies Act 2016, the Listing Requirements and other regulatory bodies.

- 11.2 The Board members have unlimited access to the professional advice and services of the Company Secretary.

12. BOARD COMMITTEES

- 12.1 The Board may from time to time establish Committees as it considered appropriate to assist in carrying out its duties and responsibilities.

- 12.2 The Committees shall practise the highest standards of integrity and ethics, comply fully with anti-corruption laws and regulations, and assume the oversight responsibility over anti-corruption in supervising the business and affairs of the Group.

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

- 1) Audit Committee

The Audit Committee is to assist the Board in its oversight of the Company's financial statements and reporting in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records and policies as well as financial and non-financial reporting practices of the Group. It also reviews the adequacy and integrity of the Group's internal control systems and management information systems, related party transactions and conflict of interest situations that may arise within the Group, including compliance with applicable laws, regulations, rules, directives and guidelines through the internal audit function.

2) Nominations & Remuneration Committee

The Nominations & Remuneration Committee is to assist the Board in the nomination of new Directors and Senior Management, assessing the effectiveness of the Board and its Committees and recommending remuneration packages and assessing the performance of Managing Director and/or Chief Executive Officer and/or Executive Director(s) and Senior Management.

3) Board Tender Committee

The Board Tender Committee's primary function pertains to the project tender related matters which are in line with the Group's Discretionary Authority Limits requirements.

4) Board Development Committee

The Board Development Committee's primary function is to oversee the investment and development planning for all projects and provide strategic direction and guidance concerning investment, development and/or project matters.

5) Board Governance & Risk Committee

The Board Governance & Risk Committee is to assist the Board in overseeing the Group's adherence to governance and anti-corruption compliance matters and to make the necessary recommendations regarding risk, governance, anti-corruption compliance and sustainability matters in alignment with the Group's long-term strategy. In respect of risk management, the Board Governance & Risk Committee assists the Board in ensuring a sound, robust Risk Management Framework and overseeing the implementation of appropriate systems and processes to enhance the Group's corporate governance practices with focus on key risk areas and its mitigations. The Board Governance & Risk Committee oversees the formulation of a strong governance, ethical and integrity culture within the Group and provides oversight on the Group's integrity, governance and anti-corruption initiatives. The Board Governance & Risk Committee also assumes the whistleblowing management and oversight role and provides avenues which allow individuals to raise concerns in confidence and without the risk of reprisal and for legitimate concerns to be objectively addressed.

12.4 The Committees shall operate under clearly defined Terms of Reference. The Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their Terms of Reference, which are available for reference at the Company's website.

12.5 The Committees shall not have the absolute decision to overrule any recommendation made by the Managing Director and/or Chief Executive Officer and/or Management Committee. In case of the recommendation being rejected at the Committees level, the proposal must be returned to the Managing Director and/or Chief Executive Officer and/or Management Committee for further re-evaluation.

- 12.6 The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings and such reports or minutes will be tabled to the Board.
- 12.7 The Board will regularly evaluate the effectiveness of the Committees.

13. ASSESSMENT AND EVALUATION OF BOARD PERFORMANCE

- 13.1 The Board adopts a formal Board Effectiveness Assessment comprising a Board Evaluation, a Committee Evaluation and Directors' Self/Peer Assessment. This assessment is designed to identify the strengths and weaknesses of Board operations and establish a common understanding of the Board's roles and responsibilities with a view to maximising Board performance. The Board evaluation should also help to determine the upskilling and development needs of individual Directors or the Board, collectively.
- 13.2 The Board will conduct an annual evaluation assessment of Board and individual members of the Board and assess the activities and performance as prescribed in the MCCG and Listing Requirements.
- 13.3 The Company Secretary is authorised to collate the results of the evaluation process before tabling to the Nominations & Remuneration Committee and Board, to ensure integrity and independence of the appraisal process.
- 13.4 The Board may engage independent experts periodically at least every 3 years to facilitate objective and candid Board evaluations.

14. MEETINGS OF THE BOARD

- 14.1 The Board meets at least six (6) times annually, with additional meetings to be convened when necessary to review financial, operational and business performances. Board meetings for each financial year are scheduled before the end of the preceding financial year.
- 14.2 The Board will receive an agenda and the relevant Board papers at least five (5) business days before each meeting or at any reasonable time as determined by the Board. The Board papers contain both quantitative and qualitative information thereby enabling informed decisions to be made. This is to enable the Board to review, consider, and if necessary, obtain further information or research on the matters to be deliberated in order to be properly prepared at the meetings. The Board papers are presented in a manner which is concise and to include comprehensive management reports, minutes of meetings, proposals and supporting documents.

15. REVIEW OF BOARD CHARTER

The Board will periodically review the Board Charter and Board Committees' Terms of Reference and may from time to time make any changes it determines necessary to ensure they remain consistent with the Company's objective, its practices and current law.

16. ACCESS TO THIS BOARD CHARTER

The Board Charter is available for viewing on the Company's corporate website, www.uemsunrise.com.