



**TH PLANTATIONS BERHAD**  
**(Registration No. 197201001069 (12696-M))**

**BOARD CHARTER**

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## 1. **INTRODUCTION**

The Board of Directors ("**the Board**") of TH Plantations Berhad ("**THP**" or "**the Company**") is responsible for the performance of THP and accountable to shareholders in performing their roles.

The adoption of good corporate governance is a fundamental part of the Board's responsibility to protect and enhance shareholders' value and the performance of THP and its subsidiaries ("THP Group"). Accordingly, the Board has formalised as part of the Company's corporate governance framework, the Board Charter.

Unless otherwise stated, the following definitions apply throughout this Board Charter:

Board	:	refers to the Board of Directors of THP
Board Committees	:	refers to the THP Board Committees
CEO	:	refers to the Chief Executive Officer of THP
Management	:	refers to the Management of THP
THP or the Company	:	refers to TH Plantations Berhad
Group or THP Group	:	refers to THP and its subsidiaries
CA 2016	:	refers to the Companies Act, 2016
MCCG	:	refers to the Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia
MMLR	:	refers to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

This Board Charter is established pursuant to the MCCG and the MMLR and approved by the THP Board and is made available on the Company's corporate website.

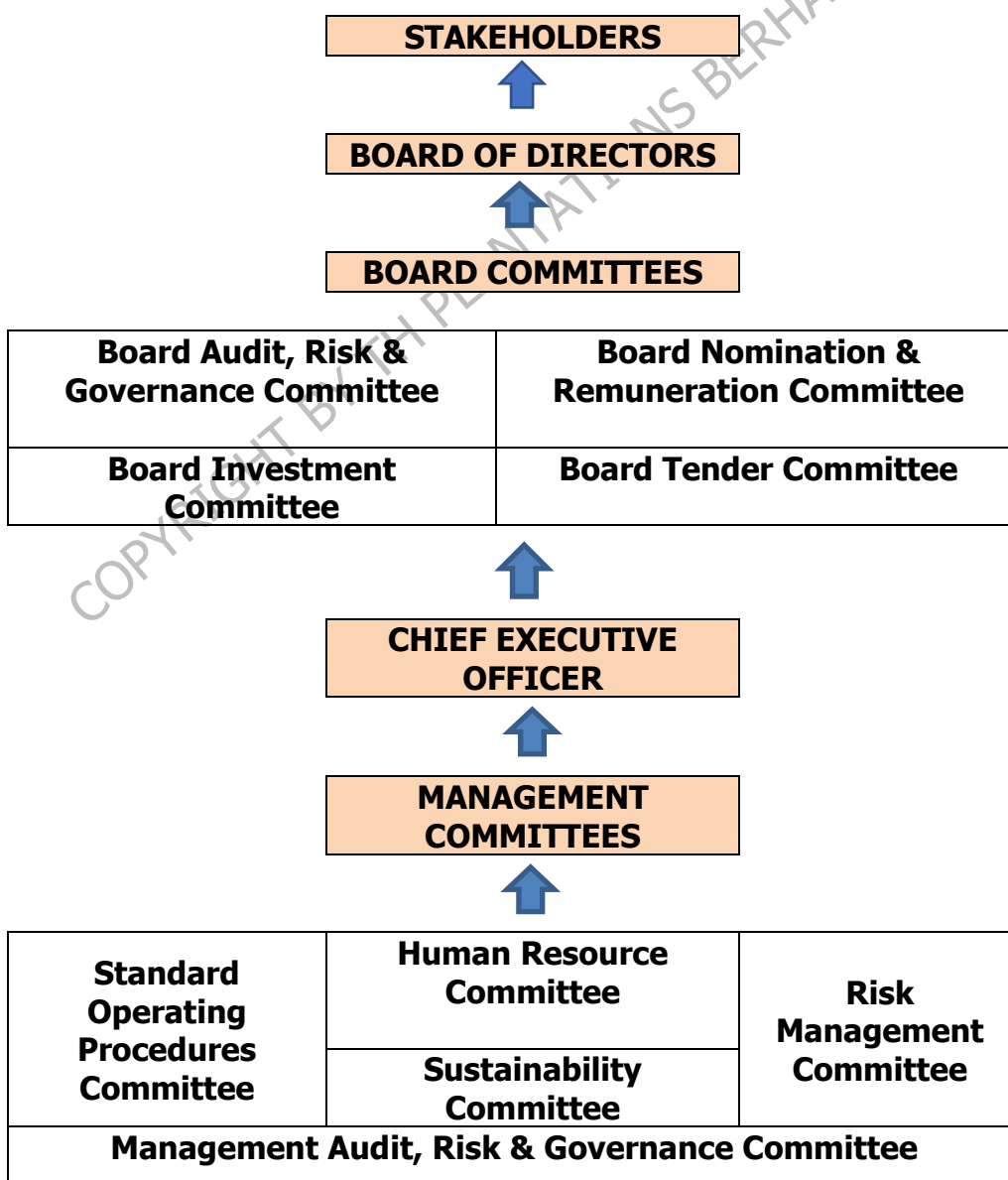


## 2. **OBJECTIVES**

The Board Charter acts as a source of reference to the Board of its duties and responsibilities in setting the overall direction and control of the Company.

## 3. **THE BOARD GOVERNANCE STRUCTURE**

The Governance structure of the Board is as follows:





#### **4. THE ROLES OF THE BOARD**

The Board is the ultimate decision-making body of the Group, with the exception of matters requiring shareholders' approval. It sets the strategic direction and vision of the Group. The Board takes full responsibility for leading, governing, guiding and monitoring the entire performance of the Group and enforces standards of accountability, all with a view to enabling Management to execute its responsibilities effectively.

The Board is collectively responsible for the proper stewardship of the Group's business and the creation of long-term value, for shareholders and other stakeholders. The Board is responsible for putting in place a framework of good corporate governance within the Group, including the processes for financial reporting, risk management and compliance. The Board members bring their independent judgement, diverse knowledge and experience in deliberations on issues pertaining to strategy, performance, resources and business conduct.

4.1 The key duties and responsibilities of the Board, amongst others, include the following:-

a) Reviewing and adopting strategic plans for the Group

The Board is responsible for the following:

- i. Review, challenge and approve Management's proposal on a strategic plan for the Group, primarily the five (5) year strategic plan for the Group;
- ii. Ensure that the strategic plan for the Group supports long-term value creation that includes strategies on economic, environmental, social and governance ("ESG") that underpin sustainability; and



- iii. Monitor the implementation of the strategic plan by the Management.

b) Overseeing the conduct of the Group's business

The Board is responsible for the following:

- i. Oversee the conduct of the Group's business, including the formulation of strategy and performance objectives, control and accountability systems, corporate governance framework, risk management practices and human capital management;
- ii. Approve and monitor the progress of major capital expenditure, fund-raising, acquisitions and divestments;
- iii. Supervise and assess the performance of Management to determine whether the Company is being properly managed and ensure that appropriate measures are in place against which Management's performance can be assessed;
- iv. Review, challenge and decide on Management's proposals for the Group and monitor its implementation by Management; and
- v. Monitor compliance with established policies and procedures.



c) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures

The Board must understand the principal risks of all aspects of the Group's business and recognise that business decisions involve the taking of appropriate risks. The Board must ensure that there are systems in place that effectively monitor and manage these risks. The Board is responsible for the following:

- i. Fulfil statutory and fiduciary responsibilities by monitoring the operational, financial and risk management processes of the Group and ensuring that internal control procedures are in place;
- ii. Set the risk appetite within which the Board expects Management to operate and ensure that there is a sound risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- iii. Ensure proper implementation and review the Group's internal control systems which are continually upgraded to mitigate the Group's current and emerging risks; and
- iv. Comply with environment, safety and health legislation by understanding the operations being carried out by employees and the hazards and risks associated with such operations.

d) Succession Planning

The Board shall ensure that all candidates appointed to the Board, Board Committees and Senior Management, including the appointment of the Nominee Directors on the Boards of THP Group are of sufficient calibre. The Board is responsible for the following:





- i. Ensure measures are in place to provide for orderly succession planning, including appointing, training and where appropriate, replacing members of the Board, Board Committees and Senior Management;
  - ii. Approve the appointment of candidates for the Board, Board Committees, Nominee Directors on the Boards of THP Group as recommended by the Board Nomination & Remuneration Committee; and
  - iii. Select, appoint and determine terms of appointment of the Senior Management and monitor their performance.
- e) Developing and implementing an investor relations policy or stakeholders' communications policy for the THP Group
- f) Reviewing the adequacy and integrity of the Company's internal controls and management information systems, including compliance with applicable laws, regulations, rules, directives and guidelines

The Board is responsible to ensure that the Company has in place a policy to enable effective communications with its shareholders and other stakeholders.

The Board is responsible to ensure that there is a sound framework of reporting on internal controls and regulatory compliance.



g) Developing and implementing a Sustainability Framework for the THP Group

The Board is responsible to ensure that the Company has appropriate Sustainability Policies in order to support the Sustainability framework and strategy.

4.2 Matters Reserved for the Board

The matters which are specifically reserved for the Board, amongst others:

a) Board Structure

- i. Changes in the composition of the Board, i.e. appointment, re-designation and resignation.
- ii. Establishment of Board Committees, their members and the terms of reference as well as any changes relating thereto.
- iii. Changes in the composition of the Boards of THP Group.
- iv. Appointment, extension and dismissal of a contract of services of the CEO, Executive Director and Senior Management.

b) Remuneration Matters

- i. Recommendation of Directors' fees and benefits in-kind for Non-Executive Directors of THP, to be approved by the shareholders at every annual general meeting.
- ii. Approval of remuneration packages for the Boards of the THP Group.



- iii. Approval of remuneration packages, including service contracts for the CEO, Executive Director and Senior Management and any other person the Board deems necessary.
- iv. Determination of the size of bonus or incentive pools as part of the annual plan based on pre-determined business performance indicators and the financial soundness of the Group.

c) Company and the Group Operation

- i. Review, challenge and approve the THP Group's 5-year business plans.
- ii. Approval of investment or divestment in the Company and the Group, including business, property or undertaking.
- iii. Approval of major changes in the business activities of the Group.
- iv. Approval of policies of the Company and Group.
- v. Corporate restructuring.

d) Financial

- i. Approval of annual budget of the THP Group.
- ii. Approval of capital expenditure or disposal of capital items sanctioned over and above delegated levels, i.e. the amount exceeds the threshold given to the Management.
- iii. Approval of financial statements, i.e. quarterly reports and audited accounts (including announcements to Bursa Malaysia).



- iv. Approval of interim dividend for payment and recommendation of final dividend or other distribution for shareholders' approval.
- v. Adoption of accounting policies in line with the Malaysian Financial Reporting Standards and including any changes thereto.
- vi. Deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due and ensuring that such steps are taken.
- vii. Approving intercompany advances for the Group.
- viii. Opening and closing of bank accounts as well as subscription of internet banking.
- ix. Change in mode of operation of bank accounts including cheque signatories and internet banking.
- x. Write-off of intercompany transactions or balance.

e) Others

- i. Convening of AGMs / EGMs.
- ii. Change of Registered Address.
- iii. Changes in the financial year-end.
- iv. Appointment of proxy and corporate representative of THP Group.
- v. Providing any corporate guarantee and indemnity issued by the Company.



- vi. Recommendation for changes in the Company's Constitution.
- vii. Publication and issuance of Annual Report (including reports and statements contained therein), Corporate Governance Report and Circular to Shareholders.
- viii. Settlement of litigation.
- ix. Any other matters not falling within the power and authority of the shareholders, the CEO/Executive Director or delegated to the Board Committees.
- x. Ensuring Syariah compliance at all times.

## **5. BOARD SIZE, COMPOSITION AND TENURE**

- 5.1 The size of the Board is governed by the Company's Constitution which provides that the Board members shall comprise not less than three (3) nor more than twelve (12).
- 5.2 The Board shall comprise of at least:
  - a) Two (2) or one-third (1/3), whichever is higher, of the Board members are independent directors; and
  - b) One (1) woman director.

In the event of any vacancy in the Board resulting in the above requirement not being fulfilled, THP must fill the vacancy within three (3) months.

- 5.3 The Board may consist of an executive director, senior independent non-executive director, independent non-executive director and non-independent non-executive director.



5.4 The Board members should possess the relevant knowledge, skills, competencies and experience to provide diverse and independent views to the business of THP. The Board with the assistance of the Board Nomination & Remuneration Committee, shall determine and regularly review the composition of the Board having regard to the optimum number and mix skills of Directors, subject to the limits imposed by the Company's Constitution and the terms served by the existing Non-Executive Directors.

5.5 The tenure of the office of THP Directors shall be as follows:

a) For the Executive Director

- i. The tenure of the Executive Director is tied to his service contract;
- ii. Only the Executive Director will be engaged on a service contract. The tenure of the service contract and all extension will be determined by the Board with the recommendation of the Board Nomination & Remuneration Committee.
- iii. In the event of an Executive Director's service contract with the Company is terminated for whatever reason, the Executive Director shall be deemed to be resigned from the Board and the Boards of THP Group, if any.

b) For Independent Non-Executive Director

The tenure of an Independent Non-Executive Director shall be limited to nine (9) years without any further extension.



c) For Non-Independent Non-Executive Director

The tenure of a Non-Independent Non-Executive Director shall be upon receiving by the Company Secretary their letter of resignation.

Concurrent with the resignation and retirement as a Director of THP, such director shall be deemed to have resigned from the Boards of the THP Group, if any.

**6. BOARD DIVERSITY**

- 6.1 The Board aims to appoint 30% women participation on its Board and Management in line with Government aspiration.
- 6.2 The Board expresses its commitment to maintain a balanced diversity as set out in the Board Diversity Policy as below:

THP's Board Diversity Policy is to ensure that the mix profiles of the Board members in terms of age and gender and skills can provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. Through this, the Board believes that a truly diverse and inclusive board will ensure that THP retains its competitive advantage.

In this regard, the Board Nomination & Remuneration Committee of THP is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions. In reviewing the composition of the Board, the Board Nomination & Remuneration Committee of THP will consider the benefits of diversity in order to maintain an optimum mix of skills, knowledge and experience on the Board.



## **7. APPOINTMENT, RETIREMENT, RE-ELECTION AND REMOVAL OF OFFICE**

- 7.1 The appointment of a new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the Board Nomination & Remuneration Committee.
- 7.2 For the assessment and selection of the Director, the Board and the Board Nomination & Remuneration Committee shall consider the criteria as set out in the Directors' Fit & Proper Policy of the Company.
- 7.3 One-third (1/3) of the Board members are required to retire at every Annual General Meeting and be subjected to re-election by shareholders.
- 7.4 Newly appointed Directors shall hold office until the next Annual General Meeting and shall be subjected to re-election by shareholders.
- 7.5 The directorships held by any Board member at any one time shall not exceed five (5) in listed companies or such other numbers as may be set by the relevant authorities.

The directorships held by any Board member at any time shall not exceed five (5) directorships on the Boards of THP Group, or such other numbers as may be decided by the Board from time to time.

- 7.6 The office of Director shall become vacant if the Director:
- a) resigns by giving a written notice to the Company at the Office; or
  - b) is removed from office in accordance with the CA 2016; or





- c) becomes disqualified from being a Director under Section 198 or 199 of the CA 2016, i.e. disqualification of director or promoter; or
- d) 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
- e) retires; or
- f) dies; or
- g) is absent from more than 50% of the total meetings of the Board held during a financial year of the Company.

## **8. ROLES OF CHAIRMAN, EXECUTIVE DIRECTOR, NON-EXECUTIVE DIRECTOR AND INDEPENDENT DIRECTOR**

- 8.1 The division of responsibilities between the Chairman and the CEO is to ensure that there is a balance of power and authority between them, thus avoiding any unfettered power of decision-making in any one individual. Therefore, it is evident that the roles of the Chairman and the CEO are distinguishable and clearly defined.
- 8.2 All THP Directors shall at all times, exercise his or her powers under the legal parameters when discharging their duties and responsibilities. Broadly these include:
  - a) Duty to act in the good faith and for the best interest of the Company as well as for proper purpose.
  - b) Duty to exercise discretion properly and cannot fetter his or her powers by abdicating an independent exercise of such discretion and merely doing what is wanted by another person.



- c) Duty to use reasonable care, skill and diligence which may be reasonably expected from a director in making business judgement.
- d) Duty to avoid conflict of interest in any transactions involving THP Group, these includes improper use of the property, information, opportunity or position as Director of THP and its subsidiaries as well as engaging in business which competing with THP Group.
- e) Duty to disclose personal interest and abstain from voting on proposal related thereto.
- f) Duty to comply with applicable rules, laws and regulations.

8.3 The Chairman carries out a leadership roles in the conduct of the Board and its relations with shareholders and other stakeholders. The roles of the Chairman are as follows:

- a) Provides leadership to the Board
  - i. Plans board meetings, agenda;
  - ii. Chairs all board meetings;
  - iii. Ensures that all Directors contribute and participate at board meetings;
  - iv. Drives discussion toward consensus and to achieve closure on such discussions; and
  - v. Ensures the board plays full and constructive part in the determination of the Company's strategic plan and the decision taken are in the Company's best interest and fairly reflects board's consensus.



- b) Lead the collaboration between the Board and Senior Management in the implementation of good corporate governance to ensure the Company operates in an ethical, transparent and sustainable manner.
- c) Chairs shareholder meetings;
- d) Representing the Board to shareholders and to be the spokesperson at the AGM. Support the CEO in reporting operational and public relations matters;
- e) Ensures the integrity and effectiveness of the governance process; and
- f) Performing other responsibilities as assigned by the Board from time to time.

8.4 Executive Director is an employee of THP and involved in the day-to-day management of the Company and the Group. He is invariably a member of the Company's Senior Management team. A CEO may also be an Executive Director. The roles of Executive Director/CEO are as follows:

- a) Develops and implements strategy, reflecting long-term objectives and priorities established by Board;
- b) Assumes full accountability to Board for all aspects of Company operations and performance;
- c) Puts adequate operational plans and financial control systems in place;
- d) Closely monitors operating financial results in accordance with plans and budgets; and
- e) Represents Company to major customers, employees, suppliers, and professional associations.



- 8.5 Non-Executive Director act as a bridge between Management, shareholders and other stakeholders. They provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied. The CA 2016, makes no distinction between Executive and Non-Executive Directors in terms of the legal duties that are imposed on Directors.
- 8.6 An Independent Non-Executive Director is a person who is independent from Management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of THP and Group. Amongst others, the major roles of the Independent Non-Executive Directors are as follows:
- a) Not to be involved in the day-to-day operations of the THP Group or running of the business;
  - b) Protecting the interests of shareholders and making significant contributions to the Company's decision-making by bringing in the quality of detached impartiality; and
  - c) Needed in areas where the interest of management, the Company and the shareholders diverge, such as audit and related party transactions.
- 8.7 The Board may appoint a Senior Independent Non-Executive Director to whom concerns pertaining to the Group may be conveyed by stakeholders. The roles of Senior Independent Non-Executive Director would include the following:
- a) Serves as an intermediary between the Independent Director and the Chairman on sensitive issues, when arise;



- b) Serves as a designated contact for consultant and direct communication with shareholders and other stakeholders particularly on matters that cannot be resolved through the normal channel of contact with the Chairman or CEO; and
- c) Represent the other Non-Executive Directors and to provide leadership support and advice to the Board, when necessary.

## **9. ROLES OF THE CHIEF EXECUTIVE OFFICER**

The basic responsibility of the CEO is to have truly effective management processes that support employee performance, development and success, whereby the CEO needs to get everyone involved. Having engaged and informed Senior Management, managers and employees will ultimately result in higher participation rates and quality performance management. The CEO need to clearly communicate to everyone, what they are responsible for as part of the Company's new performance management process.

The key roles of the CEO, amongst others are as follows:-

### **9.1 Strategy Development and Target Setting**

- a) Develops strategic direction and plan for the Company based on agreed direction and boundaries; and
- b) Coordinates the development of the business plan and budget across all departments.

### **9.2 Performance Management**

- a) Manages the day-to-day business affairs of THP Group under the direction of the Board;
- b) Establishes corporate KPIs;



- c) Monitors KPIs monthly with departments, investigates variances and develops corrective actions if required; and
- d) Cascades KPIs throughout organisation.

### 9.3 Human Capital Management

- a) Develops and implements the Company's performance management system;
- b) Evaluates leadership performance and potential of all executives; and
- c) Identifies the top talent pool and closely manages their performance and development plan.

### 9.4 Risk Management

- a) Analyses and quantifies the Company's risks;
- b) Manages all risks within the boundaries set by the Board; and
- c) Instils risk culture throughout the organisation.

### 9.5 Shareholders Management

- a) Understands needs of shareholders, and communicates key decisions in a transparent manner; and
- b) Ensures that all disclosures or any other regulatory or statutory requirements are fulfilled.

### 9.6 Stakeholders Management

Manages all stakeholder interests within boundaries agreed with the Board.



## **10. ROLES OF THE COMPANY SECRETARY**

- 10.1 The Board shall ensure it is supported by a suitably qualified and competent Company Secretary, being the central source of information and plays an important advisory role as well as fulfills the functions for which he or she has been appointed.
- 10.2 Appointment and removal of the Company Secretary shall be subject to the Board's approval. The Company Secretary shall also be the Company Secretary of THP Group.
- 10.3 The key roles of the Company Secretary, amongst others are as follows:
- a) Advise the board on its roles and responsibilities;
  - b) Monitor corporate governance developments and assist the board in applying the governance practices to meet boards' and stakeholders' needs;
  - c) Ensure adherence to the Board and Board Committees' policies and procedures;
  - d) Facilitates directors' training and development from time to time including mandatory training requirement;
  - e) Kept inform of regulatory requirements and changes relating thereto;
  - f) Manage Board and Board committees meeting logistic, attend and records minutes as well as facilitates board communications;
  - g) Manage processes relating to general meeting; and
  - h) Serves as focal point for stakeholders' communication and engagement on corporate governance issues.



## **11. BOARD COMMITTEES**

- 11.1 The Board reserves the right to establish Committees from time to time in the discharge of its duties and responsibilities. The Board shall specify specific terms of reference in writing for such Committees formed to cover matters such as the purpose, composition and function of the Committee.
- 11.2 A number of Board Committees with terms of reference have been established, namely the following:
- a) Board Audit, Risk & Governance Committee
  - b) Board Nomination & Remuneration Committee
  - c) Board Investment Committee
  - d) Board Tender Committee
- 11.3 The roles and responsibilities of the abovementioned Board Committees are provided in the terms of reference of the respective Board Committees.
- 11.4 These Board Committees are tasked to examine specific areas and issues and report to the Board on their deliberations together with recommendations. However, the ultimate responsibility for the final decisions on all matters lies with the Board.
- 11.5 The Chairman of the Board shall not be a member of any Board Committees.





## **12. BOARD MEETING**

Directors must devote sufficient time to prepare for and attend board meetings and maintain a sound understanding of the business.

### **12.1 Frequency and Attendance**

- a) Board Meetings shall be conducted at least on a quarterly basis, i.e. four (4) times per year with additional meetings to be convened as and when necessary.
- b) Board members are given advance notice of scheduled Board Meetings for the year issued by the Company Secretary, including the AGM to allow Board members to lock in their dates for advance planning and to ensure the directors allocate time to attend Board meetings.
- c) If a member of the Board is unable to be physically present, the member may choose to participate via telephone or video conferencing.
- d) Senior Management of the Company may be invited to attend the Board meetings for particular items within their responsibility. The Board may also invite external parties such as the auditors, solicitors and consultants as and when the need arises.

### **12.2 Notice and Agenda**

- a) Unless otherwise determined by the Directors, seven (7) days' notice of all Board meeting shall be given to all Directors, except in the case of an emergency, where reasonable notice of the meeting shall be sufficient.
- b) The Chairman shall ensure that proper agenda is prepared for the Board meeting.



- c) The agenda and relevant Board papers for the Board meeting are issued to each Board member, at least five (5) days, or a shorter period where unavoidable, prior to every Board meeting.

### 12.3 Quorum

- a) The quorum for a Board meeting shall be a minimum of two (2) Directors.
- b) In the absence of the Chairman, the members present shall elect a Chairman from amongst them to chair the meeting.

### 12.4 Mode of Meeting

The Board meeting shall normally be conducted face-to-face to enable effective discussion. However, Board meetings may also be conducted via telephone or video conferencing or other appropriate means as may be determined by the Board. Directors who are unable to attend a meeting shall advise the Chairman and/or the CEO and/or the Company Secretary earlier.

### 12.5 Voting

- a) All resolutions of the Board meeting shall be adopted by a simple majority vote, each Board member is entitled to one (1) vote.
- b) In the case of an equality of votes, the Chairman shall be entitled to a second or casting vote except where two (2) directors form a quorum, the Chairman shall have no casting vote if only such a quorum is present or at which only two (2) directors are competent to vote on the question at issue.



- c) A Board member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation. The nature and extent of conflict of interest must be recorded in the minutes.

#### 12.6 Minutes

- a) The Company Secretary is responsible for the integrity of the Board documents, in particular the Minutes of Board Meetings. The Board shall ensure that the Minutes are properly minuted of the matters discussed at a Board meeting and contain brief reference to relevant Board papers tabled plus any official resolutions passed by the Directors.
- b) Minutes shall be distributed to Board and shall be approved for signing by the Chairman of the meeting at which the proceeding are held or by the Chairman of the next succeeding meeting.
- c) A complete set of Board paper of the Company is held by the Company Secretary for a period of at least seven (7) years.



### **13. CIRCULAR RESOLUTION**

Decisions or resolutions of the Board are normally reached at a Board meeting. However, the Constitution of THP also provides for the passing of resolutions without having to hold a board meeting. Any urgent matters that cannot wait until the next meeting of the Board can be dealt with by passing a circular resolution.

In this regard, the following safeguard should be applied:

- 13.1 Relevant information (in the form of proposal paper) pertaining to the said resolution to be passed should be attached to the circular resolution which is to be circulated to all directors, so as to enable the directors to make an informed decision;
- 13.2 Circular resolution which do not require the signature of all directors should still be circulated to the entire board. This is to ensure that the board, as a whole, is aware of decisions that are being made; and
- 13.3 Summary of circular resolutions, which have been passed since last quarterly board meeting, should be tabled at the Board meeting for notation of the board and minuted.

The Board should refrain from using circular resolution to approve complex matters requiring rigorous deliberation.



#### **14. ANNUAL GENERAL MEETING**

- 14.1 The Board regards the AGM as an important event in the corporate calendar of which all Directors and key Senior Management should attend.
- 14.2 The Board regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with and constructive feedback from the shareholders of the Company.
- 14.3 The Chairman encourages active participation by the shareholders during the AGM.
- 14.4 The Chairman and where appropriate, the CEO or the chairperson of the Board Committees respond to shareholders' queries during the meeting.

#### **15. ACCESS TO INFORMATION AND INDEPENDENT ADVICE**

- 15.1 All Directors have unrestricted access to all information in the Company and independent access to Senior Management for information and clarification in furtherance of their duties.
- 15.2 All Directors have access to seek advice from the Company Secretary and if necessary, any independent professional advice at the Company's expense.



## **16. REMUNERATION LEVEL OF DIRECTORS**

The Board has established a "Remuneration Policy & Procedures For Directors And Senior Management" with the aim to support the key strategies and create a strong performance-oriented environment and be able to attract, motivate and retain talent of the Directors and Senior Management of THP.

## **17. BOARD AND BOARD COMMITTEE EVALUATION**

- 17.1 The Board with the assistance of the Board Nomination & Remuneration Committee shall annually evaluate its own performance and extent to which the Board has met the requirements of its Board Charter, including the assessment of the Board as a whole, Board Committees and individual Directors.
- 17.2 The Board assesses the independence of the Directors annually by taking into consideration their disclosed interests and having regard to the criteria for assessing the independence of Directors through the assessment of Independent Directors.
- 17.3 The Board evaluation shall be facilitated by a professional independent party, as and when the Board deems necessary, in order to achieve a greater objectivity to the assessment by providing an unbiased perspective on a Director's performance and contribution.



## **18. INDUCTION AND DIRECTORS' TRAINING**

- 18.1 All newly appointed Directors will undergo specific briefings on THP Group with the objective of providing an overview of the Company's vision and mission, nature of business, current issues and the long-term target of the Group.
- 18.2 All newly appointed Directors (who is appointed for the first time as a director of a Public Listed Company) is required to undergo the Mandatory Accreditation Programme ("MAP") as prescribed by the Bursa Malaysia.
- 18.3 On continuing basis, Directors are expected to attend a minimum of one (1) training session a year which includes seminars, workshops, conferences a year to keep them abreast and equipped with the requisite knowledge and competencies to contribute effectively to the role of the Board.
- 18.4 The cost of MAP and trainings shall be borne by the Company.

## **19. DIRECTORS' CODE OF ETHICS**

All directors are expected, at all times, to behave according to the highest ethical standards and corporate behaviour. The conduct of directors will be consistent with their duties and responsibilities to the Company and, indirectly, to the stakeholders of the Company.

All Directors are subject to the established Directors' Code of Conduct & Ethics, which covers the following areas:

### **19.1 Compliance**

Directors must adhere to all relevant laws and regulations in discharging their responsibilities to THP, including the Constitution of THP and all Policies established within THP Group, from time to time.



## 19.2 Conflict of Interests and Related Party Transactions

- a) Directors at all times, must disclose (through Company Secretary) his or her nature and extent of any conflict of interest in accordance with the CA 2016 and the Capital Markets and Services Act, 2007, whether direct or indirect, whether actual or potential, that may conflict with the interests of the THP Group, which may impact financially or non-financially.
- b) When there is a potential or actual conflict of interest, the interested director must abstain from discussion and voting on the decision. The interested director must not be physically or virtually present during the said discussion.
- c) For dealing in securities of THP, all directors and the principal officers of THP must adhere to all requirements under the MMLR.
- d) For recurrent related party transaction, all interested directors, including persons connected thereto, shall at all times adhere to all requirements under the MMLR, including abstaining from discussion on the interested transaction/agenda.

## 19.3 Anti-Corruption and Whistleblowing

- a) THP Group has zero tolerance for any form of corruption, bribery and any other forms of offences defined under the Malaysian Anti-Corruption Commission Act, 2009 among its directors and employees within THP Group.
- b) For control measures, THP Group adopted the T.R.U.S.T Principles pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act, 2009, as follows;





**T**op Level Commitment  
**R**isk Assessment  
**U**ndertake Control Measures  
**S**ystematic Review, Monitoring & Enforcement  
**T**raining & Communication

#### 19.4 Working Environment & Employment

- a) THP Group has zero tolerance on unlawful discrimination in the board room. All Directors shall, at all times, act without prejudice and discrimination with the management.
- b) At the operational level, directors shall ensure all relevant laws and regulations relating to the employment of foreign labour and estates employees are comply.

#### 19.5 Safeguarding Assets & Information

- a) Directors are responsible to protect the assets and information of the Company at all times and be used for appropriate purposes, which not detrimental to the Company.
- b) Directors must not use the assets or information of the Company for his or her own personal benefits or to benefit persons or entities outside of the Company and may not be discussed with, divulged to or disclosed to persons outside the Company, unless required by laws. This may include trading in securities and insider information.
- c) All necessary precautions shall be taken by directors with respect of the confidentiality of the information. Further, directors must adhere to all relevant laws and regulations relating thereto.



#### 19.6 Commitment

- a) All directors are expected to give full commitment to the Company in discharging their duties and responsibilities, in particular full attendance and active participation during the discussion. Directors must inform and provide valid reason for his or her inability to attend any meeting.
- b) Director must hold not more than five (5) directorships in listed issuer. For non-listed company, directors may maintain any number of directorships which would allow director to give full commitment to THP.

#### 19.7 Knowledge

- a) Directors shall keep abreast of the latest knowledge and information pertaining to the industry trend and opportunities to contribute effectively to the Company.
- b) Directors must evaluate and determine their training needs. Director may attend training at their own accord or requesting the Management to arrange for the training.
- c) Director must ensure they attended at least one (1) training during the financial year, whether internal or external, and the annual list of training must be disclosed to the Company Secretary.

#### 19.8 Social Responsibilities and the Environment

- a) Adopt an objective and positive attitude and give the utmost cooperation for the common good when dealing with government authorities or regulatory bodies;
- b) Ensure the effective use of natural resources, and improve quality of life by promoting corporate social responsibilities; and



- c) Ensure that the activities and the operations of the Company do not harm the interests and well-being of society at large and assist in the fight against inflation.

#### 19.9 Relationship with Shareholders, Employees, Creditors and Customers

- a) Be conscious of the interest of shareholders, employees, creditors and customers of the Company;
- b) At all times promote professionalism and improve the competency of management and employees; and
- c) Ensure adequate safety measures and provide proper protection to workers and employees at the workplace.

### 20. **REVIEW OF BOARD CHARTER**

The Board will review the Board Charter every three (3) years or earlier and make necessary amendments to ensure that it remains consistent with the Board's objectives, the needs of the Company, applicable laws and practices.