

## **GENTING BERHAD (7916-A)**

### **BOARD CHARTER**

It is the policy of the Company to manage the affairs of the Group in accordance with the appropriate standards for good corporate governance. The Board of Directors (“Board”) has overall responsibility for the proper conduct of the Company’s business and assumes responsibility of effective stewardship and control of the Company.

The Board has adopted the following vision and mission as its key values, principles and ethos of the Company and continuously develop policies and strategy development based on these vision and mission:-

#### **Vision**

A leading multinational corporation committed to enhancing shareholder value and maintaining long-term sustainable growth in the Group’s core businesses

#### **Mission**

- Be responsive to the changing demands of our customers and excel in providing quality products and services
- Be committed to innovation and the adoption of new technology to achieve competitive advantage.
- Pursue personnel policies which recognize and reward performance and contributions of employee and provide proper training, development and opportunities for career development.
- Generate a fair return to our shareholders
- Be a responsible corporate citizen, committed to enhancing corporate governance and transparency, including undertaking social responsibility for the enhancement of the standard of living of the country.

#### **1. Purpose**

This Board Charter sets out the authority, role, functions, composition and responsibilities of the Board to assist the Board members to be aware of their duties and responsibilities and the various legislations and regulations affecting their conduct.

#### **2. Authority**

The Board derives its authority to act from the Constitution of the Company and the prevailing laws and regulations governing companies in Malaysia.

#### **3. Composition, Appointment and Re-election**

The Constitution of the Company provides for a minimum of two (2) Directors and a maximum of twelve (12) Directors.

The Board should comprise suitably qualified individuals with diverse set of skills, knowledge, expertise and experience. On an annual basis, the Board reviews the composition in terms of size, the balance between executive, non-executive and independent Directors and mix of skills.

The Company practices non-discrimination in any form, whether based on age, gender, ethnicity or religion, throughout the organization. In line with the recommendation of the Malaysian Code on Corporate Governance, the Nomination Committee will consider suitable candidates, including female candidates to be recommended by the existing directors, management or major shareholders as well as independent sources, where appropriate. The Board considers the appointment of any new director upon the recommendation from the Nomination Committee. In making the recommendation, the Nomination Committee will consider the skills, knowledge, expertise and experience, professionalism, integrity and in the case for the position of independent non-executive directors, their ability to discharge such responsibilities/functions as expected from independent non-executive directors.

The Constitution of the Company provides that at least one-third (1/3) of the Directors are subject to retirement by rotation at each Annual General Meeting and that all the Directors shall retire once in every three years. A retiring Director is eligible for re-election. The Constitution also provides that a Director who is appointed by the Board in the course of the year shall be subject to re-election at the next Annual General Meeting to be held following his appointment.

#### **4. Independence of Director**

The Board assesses the independence of the Directors annually by having regard to the criteria adopted for assessing the independence of Directors. The Board would apply these criteria upon admission, annually and when any new interest or relationship develops.

Pursuant to the Main Market Listing Requirements, at any one time, the Board members should comprise at least two (2) Independent Directors or one-third (1/3) of the Board members, whichever is the higher. The Malaysian Code on Corporate Governance recommends that the Board should comprise a majority of the independent directors to allow for more effective oversight of management as well as to ensure balance of power and authority on the Board. The independent non-executive Directors provide a strong independent element on the Board.

#### **5. New Directorships**

All the Board members shall notify the Chairman of the Board prior to accepting directorships in public and public listed companies incorporated in Malaysia as well as directorships in corporations with similar businesses operating in the same jurisdiction.

The Chairman of the Board shall notify all the Board members before accepting directorships in public and public listed companies incorporated in Malaysia as well as directorships in corporations with similar businesses operating in the same jurisdiction. The notification will also include an approximate indication of the number of time per year that will be spent by the Directors on the new directorships.

## **6. Chairman and Chief Executive Officer**

The Chairman is responsible for ensuring the smooth and effective functioning of the Board. His duties include providing leadership for the Board, ensuring that the Board carries out its responsibilities in the best interest of the Company and that all the key issues are discussed in a timely manner. The Chairman is to lead the Board in its collective oversight of the management, facilitating active discussion and participation by all Directors and ensuring that sufficient time is allocated to discuss all relevant issues at Board meetings. The Chairman is also tasked to lead the Board in establishing and monitoring good corporate governance practices in the Company.

The Chief Executive is responsible for providing the vision and strategic direction of the Group and to formulate appropriate corporate strategies and develop the business. He is assisted by President and Chief Operating Officer for implementing the policies and decisions of the Board and overseeing the day-to-day operations of the Group.

## **7. Senior Independent Director**

The Chairman of the Nomination Committee has been designated as the Senior Independent Director of the Company and the point of contact for shareholders to convey their concerns. In addition, the Senior Independent Director acts as a sounding board for the Chairman as well as an intermediary for other directors when necessary.

## **8. Roles and Responsibilities of the Board and the Directors**

The Companies Act 2016 has provided that the business and affairs of the Company must be managed by, or under the direction of the Board. Hence, the Board has primary responsibility for the governance and management of the Group. The Directors shall at all times exercise their powers for a proper purpose and in good faith in the best interest of the Company and shall exercise reasonable care, skill and diligence in discharging their fiduciary duties.

The Board assumes, amongst others, the following roles and responsibilities in respect of the Group:-

- Promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behavior.
- Reviewing and adopting a strategic plan for the Group to support long-term value creation and where appropriate, to include strategies on economic, environmental and social considerations underpinning sustainability

- Overseeing the conduct of the Group's businesses to evaluate and assess management performance, including whether the business is being properly managed
- Setting the risk appetite within which the Board expects management to operate, understanding and identifying principal risks and ensuring the implementation of appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks.
- Establishing a succession plan for board and senior management
- Overseeing the development and implementation of an investor relations programme or shareholder communication policy for the Company
- Reviewing the adequacy and the integrity of the management information and internal controls system of the Group
- Formulating corporate policies and strategies
- Approving key matters such as financial results as well as major investments and divestments, major acquisitions and disposals and major capital expenditure in accordance with the limits of authority
- Assessing on an annual basis the effectiveness of the Board, Board Committees and individual Directors, including the Chief Executive and may periodically engage independent experts to facilitate such annual assessment, where appropriate.
- Reviewing the term of office and performance of the Audit Committee and each of its members annually

In carrying out its duties, certain matters are specifically reserved for the Board's decision, including overall strategic direction, annual operating plan, capital expenditure plan, material acquisitions and disposals, material capital projects, monitoring the Group's operating and financial performance and reviewing key risks affecting the Company and its subsidiaries.

## **9. Board Committees**

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

The Board has established the following committees which shall operate under clearly defined terms of reference:-

- Audit and Risk Management Committee
- Remuneration Committee
- Nomination Committee.

The Board Committees will deliberate and examine issues in greater detail within their respective Terms of Reference and make their necessary recommendations to the Board which retains full responsibility.

The Board may also delegate specific functions to *ad hoc* committees, a Director, employee or other person as and when required.

## **9. Board Meetings**

The Board will have minimally four (4) scheduled meetings annually, with additional meetings to be convened, as and when necessary.

Notice of meeting setting out the agenda and accompanied by the relevant Board papers are given to the Directors in sufficient time to enable the Directors to review, seek additional information and/or clarification on the matters to be deliberated at Board meetings.

As a Group practice, any Director who wishes to seek independent professional advice in the course of discharging his duties may do so at the Group's expense.

Directors shall have access to all information and records of the Company and also the advice and services of the Company Secretary.

## **10. Code of Ethics**

The Board observes the Company Directors' Code of Ethics established by the Companies Commission of Malaysia.

## **11. Review of the Board Charter**

The Board Charter is periodically reviewed and updated to take into consideration the needs of the Company as well as any development in relevant rules, regulations and laws that may have an impact on the discharge of the Board's duties and responsibilities.

This Board Charter was revised and adopted by the Board in February 2018.