

BINA PURI HOLDINGS BERHAD (COMPANY)

BOARD CHARTER

1. INTRODUCTION

The Board of Directors (“the Board”) is accountable and responsible for the performance and affairs of Bina Puri Holdings Berhad (“BPHB”/Company), including practising a high level of good governance. Corporate Governance is vitally important to the success of BPHB’s business and the Board is unreservedly committed to applying the principles necessary to ensure that the following principles of good governance are practised in all of its business dealings in respect of its shareholders and relevant stakeholders:-

- The Board is the focal point of the Company’s Corporate Governance system. It is ultimately accountable and responsible for the performance and affairs of the Company.
- All Board members are expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.
- All Board members are responsible to the Company for achieving a high level of good governance.
- This Board Charter shall continue and form an integral part of each Director’s duties and responsibilities.

This Board Charter is not a total document and should be read as an expression of principle for optimising corporate performance and accountability. The Board will review and update (if necessary) the Board Charter on an annual basis.

2. OBJECTIVES

The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good Corporate Governance are applied in all their dealings in respect and on behalf of the Company.

In pursuit of the ideals in this Board Charter, the intention is to exceed “minimum legal requirements” with due consideration to recognise standards of best practices locally and internationally.

3. THE BOARD

3.1 Role

- 3.1.1 The Board is in charge of 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 Directors, collectively and individually, are aware of their responsibilities to shareholders and Stakeholders for the manner in which the affairs of the Group are managed.

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3. THE BOARD

3.1.2 The Board meets in person at least once every quarter to facilitate the discharge of their responsibilities. Members of the management who are not Directors may be invited to attend and speak at meetings on matter relating to their sphere of responsibilities.

3.1.3 Duties of the Board include establishing the corporate vision and mission, as well as the philosophy of the Company, setting the aims of the management and monitoring the performance of the management.

3.1.4 The Board assumes the following specific duties:-

- (a) To review and adopt strategic plans for the growth of the Group;
- (b) To set policies appropriate for the business of the Group;
- (c) To oversee the conduct of the Group's business and to evaluate whether the business is being properly managed;
- (d) To approve annual budget;
- (e) To set and review budgetary control and conformance strategies;
- (f) To monitor management performance and business results;
- (g) To identify principal risks and to ensure the implementation of appropriate systems that encourage enhancement of effectiveness in Board and management;
- (h) To keep pace with the modern risks of business and other aspects of governance that encourage enhancement of effectiveness in Board and management;
- (i) Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing Board and key management;
- (j) Be accountable to the shareholders to ensure the Group has appropriate corporate governance that operates efficiently and transparently;
- (k) To set and review and approve annual reports to the shareholders; and
- (l) To review the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

3.1.5 The following are matters which are specifically reserved for the Board:-

- (a) approval of corporate plans and programmes;

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- (b) approval of annual budgets, including major capital commitments;
- (c) approval of new ventures;
- (d) approval of material acquisitions and disposals of undertakings and properties;
- (e) changes to the management and control structure within the Company and its subsidiaries (“the Group”), including key policies, delegated authority limits; and
- (f) participation in the adjudication of tenders for construction projects in excess of established limits. The threshold will be reviewed if the Board deems appropriate.

3.2 Board Structure

3.2.1 The Regulations governing the management of BPHB are found in the Company’s Articles of Association which stipulates among others, the appointment and number of Directors, the election of a Chairman of the Board; who will preside at all Board meetings, the appointment of Managing Director and rotation of Directors, etc.

3.2.2 Although the Board is made up of a variety of Directors with different roles and responsibilities, there is no distinction in their accountabilities to the Company.

3.3 Composition and Board Balance

3.3.1 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 the decision making of the Company. The number of Directors shall not be less than 3 and not more than 12 unless otherwise determined by a General Meeting, as stipulated in Article 82 of the Company’s Articles of Association.

Board of Directors of BPHB

Name	Designation
Tan Sri Dato’ Ir. Wong Foon Meng	Chairman/ Independent Non- Executive Director
Tan Sri Datuk Tee Hock Seng, JP	Group Managing Director
Dr. Tony Tan Cheng Kiat	Founder Director
Datuk Matthew Tee Kai Woon	Group Executive Director
Datuk Henry Tee Hock Hin	Executive Director

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Tay Hock Lee	Non-Independent Non-Executive Director
Dato' Yeow Wah Chin	Independent Non-Executive Director
Ir. Ghazali Bin Bujang	Independent Non-Executive Director
Mohd. Najib Bin Abdul Aziz	Independent Non-Executive Director

- 3.3.2 The Board members must have balanced diversity which comprises the requisite knowledge, experience, skills, competence, race, culture and gender.
- 3.3.3 The Board is the Company's decision-making body. It is therefore imperative that the Board should be sized in a manner most effective to facilitate decision-makings and deliberation processes.
- 3.3.4 The Board comprises Directors who as a group provides core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge.
- 3.3.5 A strong and independent element on the Board should be present to exercise independent objective judgment on the corporate affairs of the Company. No individual or small group of individuals should be allowed to dominate the Board's decision-making process.
- 3.3.6 In addition to ensuring the existence of an independent element, consideration is given to the characteristics of each Board member such as business acumen, skills, business background and experience, forming the dynamics of the Board.
- 3.3.7 The codes of Corporate Governance recommend that this strong and independent element of the Board should consist of Independent Directors making up at least 1/3 of the Board. The tenure of an independent director should not exceed a cumulative term of 9 years.
- 3.3.8 At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members are Independent Directors.
- 3.3.9 The Board may appoint a Senior Independent Director to whom shareholders' concerns can be conveyed if there are reasons that contact through the normal channels of the CEO/MD have failed to resolve them.

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- 3.3.10 Profiles of Board members are included in the Annual Report of the Company.

3.4 Appointments

- 3.4.1 The appointment of a new Director is a matter for consideration and decision by all members of the Board upon appropriate recommendation from the Nomination Committee.
- 3.4.2 The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.
- 3.4.3 The Company has adopted educational/training programmes to update the Board in relation to new developments pertaining to the laws and regulations and changing commercial risks which may affect the Board and/or the Company.
- 3.4.4 In addition to the Mandatory Accredited Programme (MAP) as required by the Bursa Malaysia Securities Berhad, Board members are also encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Company's operations and business. The Board will assess the training needs of the Directors and disclose in the Annual Report the trainings attended by the Directors.
- 3.4.5 The directorships held by any Board member at any one time shall not exceed five (5) in listed companies.

3.5 Re-election/Re-appointment

- 3.5.1 1/3 of Directors are subject to retirement by rotation yearly or at the interval of every 3 years.

3.6 Independence of Director

- 3.6.1 The Board assesses the independence of the Directors annually by taking into consideration of their disclosed interests and having regard to the criteria for assessing the independence of Directors under the annual Board Assessment. A separate assessment for Independent Directors is also undertaken annually.

3.7 Supply of Information

- 3.7.1 The Company aims to provide all Directors with timely and quality information and in a form and manner appropriate for them to discharge their duties effectively.

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- 3.7.2 The management is responsible for providing the Board with the required information in an appropriate and timely manner. The Managing Director, assisted by the Company Secretary, assesses the type of information required to be provided to the Board. If the information provided by the management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.
- 3.7.3 A full agenda and comprehensive Board papers are circulated to all Directors well in advance of each Board meeting.
- 3.7.4 Amongst others, the Board papers shall include the following:-
- (a) Quarterly financial report of the Company;
 - (b) Minutes of meetings of all Committees of the Board;
 - (c) A current review of the operations of the Company;
 - (d) Reports on Related Party Transactions;
 - (e) Directors' and Substantial Shareholders' share-dealings; and
 - (f) Annual Management Plans/Budget reports.
- 3.7.5 Minutes of each Board meeting are kept by the Company Secretary and are available for inspection by any Director during office hours.

4. NON-EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR (MD).....

- 4.1 The Board ensures that its Chairman is a non-executive member of the Board. The role of the Non-Executive Chairman and the MD are distinct and separate to ensure there is a balance of power and authority. The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board, while the MD has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The MD is responsible to ensure due execution of strategic goals, effective operation within the Company, and to explain, clarify and inform the Board on matters pertaining to the Company.
- 4.1.1 The responsibilities of the Chairman, amongst others, are as follows:-
- (a) to lead the Board and ensure its effectiveness of all aspects of its role;
 - (b) to ensure the efficient organization and conduct of the Board's function and meetings;
 - (c) to facilitate the effective contribution of all Directors at Board meetings;
 - (d) to promote constructive and respectful relations between Directors, and between the Board and Management; and
 - (e) to ensure effective communication with shareholders and relevant stakeholders.

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4.1.2 The responsibilities of MD, amongst others, are as follows:-

- (a) to develop and implement corporate strategies for the Group;
- (b) to supervise heads of divisions and departments who are responsible for all functions contributing to the success of the Group;
- (c) to ensure the efficiency and effectiveness of the operation for the Group;
- (d) to assess business opportunities which are of potential benefit to the Group; and
- (e) to bring material and other relevant matters to the attention of the Board in an accurate and timely manner.

5. BOARD COMMITTEES

5.1 To assist the Board in fulfilling its duties and responsibilities, the Board has established the following Committees:-

- (a) Audit Committee;
- (b) Remuneration Committee;
- (c) Nomination Committee; and
- (d) ESOS Committee.

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

5.3 The Board can establish ad hoc Committees.

6. GENERAL MEETINGS

6.1 Annual General Meeting (AGM)

- 6.1.1 The Company regards the AGM as an important event in the corporate calendar of which all Directors and key senior executives should attend.
- 6.1.2 The Company 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 Company's shareholders.
- 6.1.3 The Chairman encourages active participation by the shareholders during the AGM.
- 6.1.4 The Chairman and, where appropriate, the MD responds to shareholders' queries during the meeting. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.

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6.2 Extraordinary General Meeting (EGM)

The Directors will consider requisitions by shareholders to convene an EGM or any other urgent matters requiring immediate attention of the Company.

7. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

7.1 The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.

7.2 The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.

7.3 A press interview will be held on ad hoc basis whereby the MD will give a press release stating the Company's results, their prospects and outline any specific event for notation.

7.4 The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

8. RELATIONSHIP WITH OTHER STAKEHOLDERS

In the course of pursuing the vision and mission of the Company, the Board recognizes that no Company can exist by maximising shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.

It is the Company's accountability to integrate responsible ethical practices into all aspects of the business operations to ensure that long-term sustainability of business or the Company would not survive.

The Company encourages the practice of high ethical standards and upgrade of the level of Corporate Conduct to cover 4 main criteria as follows:-

8.1 Market Place

8.1.1 The Company is committed to uphold the corporate responsibility practices and to enhance the economic responsibilities by creating a good return to safeguard its shareholders' investment.

8.1.2 The Company is responsible to strive to develop and provide products and services which offer value in terms of price, quality, safety and environmental impact.

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8.1.3 The Company acknowledges the importance of good corporate governance and ensure the adherence to the MCCG and to comply with all listing requirements, rules and regulations.

8.2 Work Place

8.2.1 The Company acknowledges that the employees are invaluable assets and play a vital role in achieving the vision and mission of the Company.

8.2.2 The Company adopts comprehensive and documented policies and procedures with respect to the following:-

- a) Occupational safety and health with the objective of providing a safe, conducive and healthy working environment for all employees; and
- b) Industrial relations with the objectives of managing employees' welfare and well-being in the workplace.

8.3 Environment

8.3.1 The Company acknowledges the need to safeguard and minimise the impact to the environment in the course of achieving the Company's vision and mission.

8.3.2 The Company adopts comprehensive and documented policies and procedures as part of its commitment to protect the environment and contribute towards sustainable development.

8.3.3 The Company supports initiatives on environmental issues.

8.4 Community

8.4.1 Company shall play a vital role in contributing towards the welfare of the community in which it operates.

8.4.2 The Company supports charitable causes and initiatives on community development projects.

9. COMPANY SECRETARY

9.1 The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.

9.2 The Company Secretary is accountable to the Board through the MD on all governance matters.

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- 9.3 The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.
- 9.4 The Company Secretary should advise Directors of their obligations to adhere to matters relating to:-
- (a) Disclosure of interest in securities;
 - (b) Disclosure of any conflict of interest in a transaction involving the Company;
 - (c) Prohibition on dealing in securities; and
 - (d) Restrictions on disclosure of price-sensitive information.
- 9.5 The Company Secretary must keep abreast of, and inform, the Board of current governance practices.
- 9.6 The Board members have unlimited access to the professional advice and services of the Company Secretary.

10. COFE OF CONDUCTS & ETHICS

- 10.1 The BPHB Code of Ethics and Conduct (“the Code”) is to be observed by all Directors and employees of the Group, and the core areas of conduct under the Code. The Board will review the Code regularly to ensure that it continues to remain relevant and appropriate. The Code is made available for reference in the Company’s website at www.binapuri.com.my.

11. REVIEW OF THE BOARD CHARTER

The Board Charter will be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board’s responsibilities.