

**GENTING MALAYSIA BERHAD (58019-U)**

**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.

**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.

**2. Authority**

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

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

The Articles of Association of the Company provide 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 Board considers the appointment of new director upon the recommendation from the Nomination Committee. In making these recommendations, 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 Articles of Association of the Company provide 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 Articles of Association also provide 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, at least two (2) or one-third (1/3), whichever is the higher, of the Board members should comprise Independent Directors. The Malaysian Code on Corporate Governance 2012 (“MCCG 2012”) recommends that if the chairman is not an independent director, then the Board should comprise a majority of the independent directors 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 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 also tasked with facilitating active discussion and participation by all Directors and ensuring that sufficient time is allocated to discuss all relevant issues at Board meetings.

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. Roles and Responsibilities of the Board**

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

- Reviewing and adopting a strategic plan for the Group
- Overseeing and evaluating the conduct of the Group’s businesses

- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks
- Establishing a succession plan for senior management
- Overseeing the development and implementation of a 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
- 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.

## **8. 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 be operated under clearly defined terms of reference:-

- Audit Committee
- Remuneration Committee
- Nomination Committee.

The Chairman of the respective Committees will report and update the Board on significant issues and concerns discussed and where appropriate, make the necessary recommendations to the Board.

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 May 2016.