



JMR CONGLOMERATION BHD. (592280-W)
(Incorporated in Malaysia)

BOARD CHARTER

1. INTRODUCTION

The Board Charter sets out the strategic intent, composition, outlining their various functions and responsibilities of the Board of Directors (the “Board”) of JMR Conglomeration Bhd. (“JMR” or “the Company”). In establishing a charter, it is important for the Board to set out key values, principles and ethos of the Company, as policies and strategy development are based on these considerations.

Good governance policies and processes are critical for ensuring that the Company is governed in the best interests of the Company as a whole. In line with this, the Board has articulated and formalised as part of the Company’s corporate governance framework, the Board Charter.

The Board should be responsible for reviewing this Charter and determining its appropriateness to the needs of the Company from time to time. This Board Charter shall form an integral part of each Director’s duties and responsibilities.

2. THE BOARD

2.1 Composition

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 Constitution of the Company provides for a minimum of two (2) directors and a maximum of ten (10) directors. At any one time, at least two (2) or one-third ($\frac{1}{3}$), whichever is higher, of the Board members are Independent Directors. The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations. The Independent Directors help to ensure that the interests of all shareholders, and not only the interests of particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

The Board may appoint a Senior Independent Director who will also attend to any query or concern raised by shareholders.

The composition and size of the Board shall be reviewed from time to time to ensure its appropriateness.

2.2 Appointments and Re-election

The appointment of a new Director to the Board is a matter for consideration and decision by the full Board, upon appropriate recommendation of the Nomination



JMR CONGLOMERATION BHD. (592280-W)
(Incorporated in Malaysia)

Committee. In making its recommendations, the Nomination Committee shall identify the existing gaps, consider new directors' skills, knowledge, expertise and experience, professionalism and integrity where new Directors are expected to have such expertise so as to qualify them to make positive contributions to the Board's performance.

The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed. Upon the appointment of a new Director, the Company Secretary advises the Director of his/her principal duties and responsibilities and explains the restrictions to which he or she is subject to in relation to price-sensitive information and dealings in the Company's securities. Thereafter, all Directors are provided with appropriate briefings on the Company's affairs and up-to-date Corporate Governance materials published by the relevant bodies.

The Constitution of the Company provides that every newly appointed Director be subjected to re-election at the immediate Annual General Meeting ("AGM"). Further, one-third ($\frac{1}{3}$) of the Board shall retire from office and be eligible for re-election at least every three (3) years.

2.3 Independent of Director

The Nomination Committee and Board assess the independence of the Independent 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.

2.4 Directors' Training and Development

The Board encourages Directors to attend educational / training programmes to keep themselves abreast of and updated in relation to new developments pertaining to the laws and regulations and changing commercial environment and risks which may affect the Board and/or the Company. In addition to the mandatory accreditation programme ("MAP") as required by the Bursa Securities, Board members are 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.

2.5 Board Meeting

The Board schedules at least five (5) meetings a year with additional meetings to be convened whenever urgent and important matters or decisions are required. The Board will deliberate and consider the Group's strategies and policies, corporate governance, risk management, corporate proposals and budgets, financial results and the business



JMR CONGLOMERATION BHD. (592280-W)
(Incorporated in Malaysia)

plans and directions in the Board Meeting. The Board ensures that its decisions as well as issues deliberated on before arriving at those decisions are properly documented and implemented.

The agenda of the meeting and Board papers will be distributed to Directors prior to the meeting. Where necessary, the services of other senior management or external consultants will be arranged to brief and help the Directors clear any doubt or concern.

2.6 Financial Reporting

The Board is responsible for reviewing the Management's draft of the financial statements. The Company aims to present a clear and fair assessment of the Company's financial position and future prospects in respect of all quarterly results, annual financial statements and announcements issued by the Company within the stipulated timeframe.

The Board ensures that the financial statements are prepared in accordance with the Companies Act 2016 and approved accounting standards, so as to give a true and fair view of the state of affairs of the Company. The Board is assisted by the Audit Committee who helps to scrutinize information to ensure disclosures are made accurately and adequately on a timely basis.

2.7 Directors' Remuneration

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including function, workload and responsibilities involved. The remuneration of the Executive Director is structured on the basis linking rewards to corporate and individual performance.

For Non-Executive Directors, they receive a basic fee and an attendance allowance for participation in the Board Meetings and any of the Committee Meetings. Determination of the remuneration is balanced with their expected roles and responsibilities including any additional work and contribution required.

2.8 Company Secretary

The Company Secretary plays an important advisory role and is a source of information and advice to the Board and Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company. The Board shall appoint someone who is capable of carrying out the duties to which the post entails, and the removal of the Company Secretary shall be a matter for the Board as a whole. The Company Secretary shall be of a senior position with adequate authority and shall report directly to the Board.



JMR CONGLOMERATION BHD. (592280-W)
(Incorporated in Malaysia)

3. BOARD ROLE

3.1 Duties and Responsibilities

The Board assumes, amongst others, the following duties and responsibilities:-

- reviewing and adopting the overall strategic plans and programmes for the Company;
- setting the aims of the management and monitoring the performance of the management;
- overseeing and evaluating the conduct of business of the Company;
- identifying principal risks and ensuring implementation of a proper risk management system to manage such risks;
- establishing a succession plan for senior management appointments;
- developing and implementing an investor relations programme or shareholder communication policy for the Company;
- reviewing the adequacy and the integrity of the management information and internal controls systems of the Company; and
- approving the appointment and compensation of senior management staff.

The Chairman of the Board leads and manages discussions among Directors with diverse backgrounds, experience, skills, perspectives and knowledge to meet the Company's unique context and requirement.

The directors, collectively or individually may seek independent professional advice in furtherance of their duties at the Company's expense.

4. CODE OF CONDUCT

As a matter of Board policy, directors and management are expected to conduct themselves with the highest ethical standards. All directors, executives and staff are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of Company.

In the performance of their duties, a Director should at all times observe the following areas:

- (i) Conflict of interest;
- (ii) Confidential and proprietary information;
- (iii) Intellectual property;
- (iv) Business records and control;
- (v) Compliance to the law;
- (vi) Health and safety;
- (vii) Discrimination and harassment;
- (viii) Corporate Social Responsibility.

The Board is responsible for establishing compliance and evaluating the effectiveness of the Company's Code of Conduct.



JMR CONGLOMERATION BHD. (592280-W)
(Incorporated in Malaysia)

5. BOARD COMMITTEES

The Board may from time to time establish Committees as considered appropriate to assist in carrying out its duties and responsibilities. The Board delegates certain functions to the following Committees to assist in the execution of its responsibilities:-

- (i) Audit Committee
- (ii) Nomination Committee
- (iii) Remuneration Committee
- (iv) Risk Management Committee

The Committees shall operate under clear defined terms of reference. The management is co-opted to the Committees as and when required. The Chairman of the respective Committees reports to the Board on the outcome and key issues deliberated by the Committees meetings.

6. INVESTOR RELATIONS AND SHAREHOLDERS' COMMUNICATION

The Board shall place great importance in ensuring the high standards of transparency and accountability in its communication to shareholders, as well as to potential investors, analysts and the public. The shareholders shall be informed of all material matters affecting the Company.

The Company communicates information to shareholders and investors through timely announcements and disclosures made to the Bursa Malaysia Securities Berhad via Bursa Link, which includes quarterly financial results, material contract awarded, changes in the composition of the Company and any other material information that may affect investors' decision making requiring disclosure under the Main Market Listing Requirements. Communications channels with shareholders are also made accessible via press and analyst briefings, annual report, press releases on major developments and the Company website.

The AGM is the principal forum for dialogue with shareholders. At each AGM, a presentation is given by the Chairman & Group Managing Director to explain the Group's strategy, performance and major developments to shareholders. The Board also encourages full participation of shareholders at the AGM to ensure a high level of accountability and discussion of the Company's strategy and goals. The Company will also invite the external auditor to attend the AGM and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.