

AMANAHRAYA

BOARD CHARTER
FOR
AMANAHA RAYA BERHAD

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1.0 INTRODUCTION

- 1.1 The Board Charter sets out the key principles, roles, and responsibilities of the Board of Directors (“Board”) of Amanah Raya Berhad (“ARB” or “the Company”)
- 1.2 The Board is accountable to the shareholders for overseeing corporate governance and the performance of the ARB. It is also dedicated to upholding the highest standards of integrity, ethical conduct, and professionalism.
- 1.3 The Board Charter serves as a reference for directors in performing their duties and ensuring compliance with the Companies Act 2016, Public Trust Corporation Act 1995, Trustee Act 1949, 'Garis Panduan Tadbir Urus dan Ahli Lembaga Pengarah Syarikat Menteri Kewangan (Diperbadankan),' 'Tatakelola Syarikat Berkepentingan Kerajaan dan Syarikat Berhad Menurut Jaminan,' Malaysian Code on Corporate Governance (“MCCG”), and other applicable regulations.

Section 1.0 is a newly added section intended to provide an introductory overview and ensure alignment with the overall purpose and structure of the Board Charter. Relevant Acts and guidelines were referred to in ensuring the Board Charter is compliant with applicable legal and governance requirements.

2.0 PURPOSE

- 2.1 The Board Charter defines the primary role of the Board and delineates the roles, functions, responsibilities, and authority of the Board and its various Committees within the Company.
- 2.2 Additionally, the Charter specifies the Board’s distinct responsibilities to enhance coordination and communication between the Board and the Management, thereby clearly establishing the accountability of both parties for the benefit of the Company and its shareholders.
- 2.3 Moreover, it ensures alignment with regulatory requirements and corporate governance best practices for the Board to evaluate its overall effectiveness as well as the performance of individual Directors.

Section 2.0 is a newly added section outlining the purpose which the contents are based on best practices, and adaptation from Section 1.0.

3.0 BOARD STRUCTURE

3.1 *Composition of the Board*

- 3.1.1 There shall be a maximum of eleven (11) directors, including the Chairman, on the Board of ARB. At least one-half (1/2) of the Board shall comprise of Independent, non-Executive Directors, while no more than one (1) Executive Director shall be appointed as the Group Managing Director (“GMD”).

Section 3.1.1 is adapted from the original ARB’s CG Policy and revised to align with MCCG (5.2, 5.5, 5.6, 5.9, 5.10) Tatakelola (5.1, 5.2) and MOF (6.5 (d))

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3.1.2 In appointing new members, the Board considers diversity in ethnicity, cultural background, age, and gender to ensure a well-balanced composition, while merit remains the primary criterion. Candidates should possess skills and experience aligned with ARB's operational, commercial, or industry needs. ARB may recommend eligible candidates to the Ministry of Finance ("MOF") for consideration.

Section 10.0 is added to reflect best practice which align with MCCG (5.5, 5.6, 5.9, 5.10) MOF (6.5 (d)) and Tatakelola (5.1)

This section answers MOF's FAQ No. 17

3.2 *Position of Chairman*

3.2.1 The Chairman is pivotal to the Board's effectiveness. The appointment of the Chairman of ARB shall be made by MOF, and Board Members may recommend candidates to MOF for consideration based on the basis of the person's competence, achievements and record as a leader.

3.2.2 The Chairman shall be non-executive. The Chairman and GMD shall not be held by the same person and the Chairman shall not become a member of a Board Committee.

3.2.3 The Chairman is expected to fulfill the following responsibilities:

- i. To chair all Board meetings and facilitate the Board's affairs as well as ensuring smooth functioning of the Board, Board processes, the governance structure and inculcating positive culture in the Board;
- ii. Ensure that all relevant issues are on the agenda for the board meeting and all directors are able to participate fully in the Board's deliberations;
- iii. Ensure that the Board debates strategic and critical issues facing ARB whereby all substantial Board resolutions are submitted for physical voting while the Directors' Circular Resolution be limited to non-complex issues or those not requiring in-depth deliberation and operational in nature;

These sections are extracted from the original ARB's CG Policy and Framework with minor amendments

3.2.4 The Chairman also has an important responsibility to establish a healthy working relationship between the Board and the GMD. To facilitate this relationship, it is expected that the Chairman will:

- Be the major point of contact between the Board and the GMD, and ensure effective communication with shareholders and stakeholders
- Be kept fully informed of key issues by the GMD on all matters that may be of interest to directors; and
- Regularly review, with the GMD, progress on important initiatives and significant issues facing ARB;

These sections are extracted from the original ARB's CG Policy and Framework with minor amendments

3.2.5 It is the responsibility of directors to declare their existing obligations and interests and

These sections are extracted from the original ARB's CG Policy and Framework with minor amendments

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provide continuous updates to the Company Secretary or to declare them at a Board or Committee meeting.

- 3.2.6 The Board's responsibilities shall include oversight of sustainability matters, ensuring that the Company's sustainability strategies, initiatives, and goals are aligned with stakeholder interests and long-term objectives.

Section 3.2.6 is added to reflect best practise which aligns with MCGG (4.1, 12.2) CA 2016 (612) and MOF (6.13)

4.0 APPOINTMENT PRINCIPLES

4.1 The selection of Board members is based on ARB's needs and the enhancement of Board competencies. Candidates are assessed based on the following principles before being recommended for Board approval and subsequently submitted to MOF for final approval: -

- i. assessing the appointee against a range of criteria including background, integrity screening, experience, professional skills and personal qualities required to operate successfully in the position;
- ii. the extent to which the appointee is likely to contribute to the overall effectiveness of the Board and work constructively with the existing directors;
- iii. ensuring that board appointments are based on merit and objective criteria, while considering diversity in skills, experience, age, gender, and cultural background to enhance the collective skills and experience of the Board;
- iv. the skills and experience that the appointee brings to the role and how they will enhance the skill sets and experience of the Board as a whole;
- v. the nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;
- vi. the time commitment required from a director to actively discharge his duties to the Company.

These sections are extracted from the original ARB's Director's Selection, Appointment and Retirement Policy.

4.2 The personal specifications for directors should include, amongst others, the following:

- i. Experience of management in a diverse organization;
- ii. Excellent interpersonal, communication and representational skills;
- iii. Demonstrable leadership skills;
- iv. Degree holder in relevant discipline;
- v. Commitment to high standards of ethics, personal integrity and probity;

These sections are extracted from the original ARB's Director's Selection, Appointment and Retirement Policy.

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4.3 *Appointment as Chairman*

4.3.1 The Chairman of the Board shall be appointed by MOF.

4.3.2 In the case of a subsidiary, the Chairman shall be appointed by the Board of ARB subject to the appointment principles of 4.1 and 4.2.

These sections are extracted from the original ARB's Director's Selection, Appointment and Retirement Policy.

4.4 *Appointment of Director*

4.4.1 The Board may identify and recommend qualified candidates for appointment as directors, subject to MOF's approval.

Section 4.4.1 is added to reflect best practise which aligns with MOF (6.33)

4.4.2 In general, the procedure for the selection and appointment of a Director for the Board/Subsidiary Board/Sub-Subsidiary Board will be based on the NRC's recommendation as follows: -

- i. assessing the needs of the Board to ensure that there is a range of skills represented as specified in Section 4 above;
- ii. where a need is identified or arises, using appropriate resources to identify potential candidates;
- iii. developing a short list of potential appointees taking into account, among other things, the particular skills and expertise of each individual appointee and their ability to fit with the requirements;
- iv. recommending the Board the most appropriate person from the short list of potential appointees.
- v. for candidates/appointees nominated by Minister of Finance or "MOF", the nominated candidates for Board/Subsidiaries Board/Sub-subsidiaries shall be subject to the Board approval.

These sections are extracted from the original ARB's Director's Selection, Appointment and Retirement Policy.

4.5 *Appointment of Politicians as Board Members*

4.5.1 The appointment of a Politician as the Chairman or a Board member shall be guided by the principles of transparency, Board independence, and adherence to the highest governance standards.

4.5.2 Appointments of Politicians to the Board shall undergo a thorough screening process, where their suitability and potential governance impact are carefully assessed by the Nomination Committee. The Committee will review and endorse the proposed appointment before it is submitted to the Controlling Ministry and ultimately approved

Section 4.5.1 and 4.5.2 is added to reflect best practise which aligns with MCGG (5.5) MOF (6.26, 6.30) and Tatakelola (6.2, 6.3)

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by the Prime Minister. Regular reviews will be conducted to ensure continued adherence to governance best practices and to mitigate any undue influence on the Board's decision-making.

4.6 *Appointment of Government Officers*

4.6.1 Government officers appointed as Board members of MOF companies shall balance the interests of the government with their corporate governance responsibilities. In the event of a conflict of interest, whether in their role as a shareholder or policymaker, the officer shall exercise discretion and prioritize representing the MOF's position as a shareholder.

These sections are added to reflect best practise which aligns with MCGG (5.5) MOF (6.26, 6.30) and Tatakelola (6.2, 6.3)

4.6.2 To ensure transparency and accountability, appointed government officers shall be required to declare any conflicts of interest and demonstrate ongoing compliance with their fiduciary duties.

5.0 **TENURE, RENEWAL, RETIREMENT, TERMINATION**

5.1 *Tenure and Renewal*

5.1.1 The tenure of an independent director shall not exceed six years. Upon completing this period, if the Board intends to retain an independent director beyond the six-year limit, it must provide justification and obtain annual shareholder approval.

Section 5.1.3 is added to reflect best practise which aligns with MCGG (5.3)

5.1.2 The Director's assessment and appointment will be reviewed and shall be subject to ARB Board approval on a yearly basis.

5.1.3 The Director/Chairman's tenure shall be subject to amongst others: -

- i. Performance on the Board, Subsidiaries Board, and Sub-subsidiaries Board during their tenure;
- ii. Alignment with the company's strategy and business objectives;
- iii. Peer Assessment of the Director/Chairman.

These sections are extracted from the original ARB's Director's Selection, Appointment and Retirement Policy.

5.2 *Retirement*

To promote demonstrable independence, in the absence of special circumstances or a contrary decision by the Board or Shareholder, a Director shall retire upon the expiry of his term of service.

These sections are extracted from the original ARB's Director's Selection, Appointment and Retirement Policy.

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5.3 Termination or non-renewal

5.3.1 The Board may recommend the termination of a Director based on the results of performance evaluations or facilitate the progressive refreshing of the Board, subject to the approval of MOF.

5.3.2 Additionally, without limiting the rights of the shareholder, amongst the reasons which would justify the removal of a director from the Board would be where a director: -

- i. No longer has the confidence of the Board as a whole.
- ii. Has breached ethical standards and this reflects badly on the Board or Company
- iii. Does not act in the best interests of the Company.
- iv. Breaches of the confidence of the Board in any way, including speaking publicly on-Board issues without the authority of the Board.
- v. Does not act in accordance with the principles of collective responsibility.
- vi. Breaches the provisions of the Companies Act, Memorandum and Articles of Association or other applicable laws that by virtue disqualifies him/her from holding the position as Director.
- vii. Failure to attend at least 70% of the Board meetings or three consecutive Board meetings without valid reason.

These sections are extracted from the original ARB's Director's Selection, Appointment and Retirement Policy which best aligns with CA 2016 (206) MOF (6.19, 6.39, 8.3) and Tatakelola (6.5, 7.1)

These sections address MOF's FAQ No. 19

Section 5.3.2 (vii) is added to reflect with MOF (8.3)

Where the Board has concerns regarding a Director's behavior, the matter shall first be considered by the Board. If necessary, the Board may recommend the Director's removal to the Shareholder, subject to the approval of MOF.

These sections are extracted from the original ARB's Director's Selection, Appointment and Retirement Policy

6.0 RESPONSIBILITIES OF THE BOARD AND ROLE OF CEO/GMD

6.1 The Board is responsible for governing ARB and setting its strategic direction. In fulfilling its governance role, the Board must act in the best interest of ARB and its stakeholders. Its primary responsibilities include providing leadership, approving strategies that guide ARB's operations, and ensuring alignment with ARB's objectives, sound commercial and governance practices, as well as statutory obligations.

These sections are extracted from the original ARB's CG Policy and Framework with minor amendments

6.2 The Board is therefore responsible for, and retains authority to determine, all matters relating to the policies, practices, management controls and business activities of ARB. The responsibilities of the Board include:

- i. Ensuring that the ARB has an appropriate corporate governance structure for

These sections are extracted from the original ARB's CG Policy and Framework

This section address MOF's FAQ No 6.

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managing and conducting the business and affairs of the Company in line with ARB's incorporation objectives;

- ii. Reviewing and approving strategies, business plans and corporate policies, and monitor management's performance in implementing them, as recommended by the respective Committee
- iii. Ensuring succession planning is in place for the GMD/Chief Executive Officer ("CEO") of ARB and its Senior Management. The process for the appointment of the GMD/CEO shall include the following:

- The Board of Directors may recommend GMD/CEO candidates to MOF for recommendation.
- The Board must obtain MOF approval for GMD/CEO appointment, reappointment, and service terms.
- The GMD/CEO must be appointed on a contractual basis.
- Each service contract for the GMD/CEO including reappointment is subject to MOF approval.
- The GMD/CEO of an MOF company can serve on the Board of wholly owned subsidiaries engaged in complementary activities but is limited to three such Boards.
- GMD/CEO's or Executive Directors serving on subsidiary Board can receive board allowances for Board meetings as per MOF guidelines
- The GMD/CEO cannot serve on the Board of any company unrelated to the MOF.
- Subsidiaries require parent company Board approval for policy matters, including Board and GMD/CEO appointments.
- The Board ensures a succession plan is in place for both the Board and senior management, focusing on the skills, experience, and diversity needed to meet the Company's goals.
- The selection and nomination process will be transparent, with gender and other diversity factors considered for future leadership roles.
- The Board will ensure that Directors and senior management have the necessary skills to effectively perform their roles.
- Measures will be implemented for a smooth and orderly succession at both

These sections are extracted from the original ARB's CG Policy and Framework

This section address MOF's FAQ No 6.

Section is added to reflect with MCGG (1.1, 1.3, 5.8), MOF (3.14, 3.15, 5.1, 5.2, 5.3, 5.4, 5.6, 5.7, 7.7) and Tatakelola (4.6)

This sections answers MOF's FAQ No. 5, 6, 7 and 9

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the Board and senior management levels.

- iv. Reviewing the adequacy and the integrity of the company's risk management and internal control systems, including systems for compliance with applicable laws and regulations, directives and guidelines;
- v. Ensuring that ARB is managed economically, effectively and efficiently, with emphasis on improving productivity and reducing waste; and
- vi. In all actions taken by the Board, the directors are expected to exercise their business judgment in what they reasonably believe to be the best interests of the ARB and the stakeholders. In discharging that obligation, directors may rely on the honesty and professional integrity of the ARB's Management and its outside advisors and auditors;
- vii. The Board shall have the power to hire and terminate independent legal, financial or other advisors, as they may deem necessary to serve the committee, without consulting or obtaining the approval of the Management of the Company in advance.
- viii. The Board may, from time to time, establish or maintain additional committees as appropriate.

These sections are extracted from the original ARB's CG Policy and Framework

These sections are extracted from the original ARB's CG Policy and Framework with minor amendment where appendix was removed

7.0 BOARD COMMITTEES

- 7.1 To enhance the Board's effectiveness, various Board Committees have been established to assist in fulfilling its governance responsibilities. These Committees operate within defined Terms of Reference ("TOR"), which outline their scope, responsibilities, and authority. While specific functions are delegated to the Committees for focused review and recommendations, the Board maintains oversight of all key matters.

Section 7.1 is added to reflect best practice with MOF (7.2) and MCGG (5.6, 5.8)

- 7.2 The Board has established the following Committees:

- Audit and Review Committee ("ARC") – Oversees financial reporting, internal controls, and audit processes.
- Nomination and Remuneration Committee ("NRC") – Assists in Board appointments, succession planning, and remuneration matters.
- Board Risk Management and Integrity Committee ("BRIMC") – Monitors risk exposure, mitigation strategies, and overall risk governance.

These sections are extracted from the original ARB's CG Policy and Framework, while the details of each committee are derived from their respective TOR

This section answers MOF's FAQ No. 15 and 21

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- Investment Committee – Assist the Board in approving the investment policies, investment and divestment proposal for and reviewing investment performance report of all investment made by ARB.
- Tender Committee – To approve and oversee the tendering process, ensuring transparency, fairness, and value for money in procurement decisions.
- Shariah Advisory Council - To advise and provide guidance in accordance with Shariah principles on ARB and its subsidiaries on investments, operations, and Islamic products.

These sections are extracted from the original ARB's CG Policy and Framework, while the details of each committee are derived from their respective TOR

This section answers MOF's FAQ No. 15 and 21

7.3 Each committee holds delegated authorities by the Board as stipulated under its own written terms of references ("TOR"), which sets forth the objectives and responsibilities of the committees as well as qualifications for committee membership, structure and operations.

These sections are extracted from the original ARB's CG Policy and Framework with minor amendment where appendix was removed

8.0 BOARD PROCESSES

8.1 Meetings

8.1.1 Directors are expected to attend the Board meetings and meetings of Board Committees and any subcommittee on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

8.1.2 Information and materials that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should be distributed to the directors 3 working days prior to the meeting, in order to provide ample time for review.

These sections are extracted from the original ARB's CG Policy and Framework, with minor additions to improve relevance and completeness within the context of the Board Charter

8.1.3 The Company Secretary should set the calendar 12 months in advance in consultation with the Chairman and maintain the flexibility of other directors to make amendments. A Board meeting should be held at least once every quarter.

8.1.4 The Company Secretary shall establish standard agenda items to be discussed at each Board meeting.

8.1.5 The Company Secretary shall consult with the Chairman to prepare and finalize the agendas for Board meetings, ensuring that all relevant matters are included for discussion.

Section 8.1.5 is added to reflect best practice which aligns with MCCG (13.1) CA 2016 (316) and MOF (8.1)

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8.1.6 Board meetings shall be held at least four times annually, with additional meetings convened as necessary to meet the needs of the business.

Section 8.1.6 has been introduced to reflect best practice ensuring effective oversight through regular Board engagement.

8.2 Conduct of Meeting

8.2.1 The Chairman of the Board shall chair the meeting. If the Chairman is not present and in the absence of a nominee, another director appointed by the directors' present shall chair the meeting.

8.2.2 The Chairman shall determine the degree of formality required at each meeting while maintaining the decorum of such meetings. In any event the following general rules will apply:

- The Chairman will ensure that all members are heard;
- The Chairman will also retain sufficient control to ensure that the authority of the chair is recognized so that a degree of formality can be reintroduced when it is required to make progress;
- The Chairman will take care that the decisions are properly understood and well recorded;
- The Chairman shall ensure that all significant issues that had been heard at any Board Committee's level are noted or endorsed, where appropriate; and
- The Chairman will ensure that the decisions and deliberation are completed with a reasonably formal resolution recording the conclusions reached.

These sections are extracted from the original ARB's CG Policy and Framework

8.2.3 No meeting shall take place unless a quorum, which is a majority of the Board members, are present.

8.2.4 A resolution shall be decided by a vote. The Chairman may declare that a resolution has been carried or lost by a particular majority. The entry in the minutes of the meeting of that declaration shall be conclusive evidence of the result of the resolution.

8.2.5 The Board may adopt resolutions through circular means, in lieu of convening a formal Board meeting as per item 3.2.3.

Section 8.2.5 is added to reflect best practice which aligns with MCCG (13.1, 13.3), CA2016 (316), MOF (3.4, 8.1)

8.2.6 The Circular resolutions may be communicated via post, electronic mail, or fax correspondence. To be valid, the resolutions must be unanimously approved by all directors and recorded in the minutes of the subsequent Board meeting.

Sections 8.2.6 is extracted from the original ARB's CG Policy and Framework

8.2.7 Attendance at a meeting may be by being present in person or by participating in the meeting by video or teleconference. Members of the Board who participate in a

Section 8.2.7 is added to reflect best practice which aligns with MCCG (13.2, 13.5) and MOF (3.4)

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meeting by video or teleconference or any other communication equipment shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

8.3 *Minutes of Meeting*

8.3.1 All meetings at the Board and Board Committees must be properly recorded, and all decisions and discussions recorded accurately and kept confidentially.

Sections 8.2.6 is extracted from the original ARB's CG Policy and Framework

8.3.2 The complete minutes of the meetings, including details of the proceedings, issues or concerns raised by the Board, and the responses provided by the Management, must be circulated to the Board in a timely manner after the completion of the meeting.

Section 8.3.2 is added to reflect best practice with MCCG (13.6)

8.3.3 All dissenting views expressed during meetings of the Board and its Committees shall be duly documented in the minutes, together with the underlying rationale, to uphold transparency and accountability in the decision-making process.

Section 8.3.3 reflect best practice with MOF (8.7)

8.4 *Financial and Management System and Controls*

The Board shall have oversight over the management, financial and budgetary control system, including reviewing and approving the annual budgets and the appropriate limits of authority. Such controls must ensure that the Board is regularly informed on, but not limited to:

- i. Policies in use by ARB;
- ii. Progress report on achievement of budgets and targets, any programs and projects undertaken by ARB;
- iii. Financial reporting, amongst others, cashflow of the company, revenue and expenses, investment activities, loans and borrowings, fixed asset management and asset-liabilities; and
- iv. KPI performance of ARB

These sections are extracted from the original ARB's CG Policy and Framework, with minor additions to improve relevance and completeness within the context of the Board Charter.

8.5 *Disclosures to the Board and Stakeholders*

Section 8.5.1 addresses MOF's FAQ No. 22

8.5.1 The Board is responsible to ensure that all the relevant performance and other periodic reports are prepared and presented to the Board at least on a quarterly basis.

Section 8.4 addresses MOF's FAQ No. 23

8.5.2 The Board shall oversee the process of disclosure and communications with external stakeholders. The Board shall ensure that the disclosures made by ARB are fair,

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transparent, comprehensive, timely and reflect the character of ARB and the nature, complexity and risks inherent in ARB's business activities.

8.6 *Integrity, Risk Management, Compliance and Legal*

8.6.1 The Board shall ensure that frameworks for integrity, risk management, compliance programs, legal issues and other internal policies and guidelines designed to support good corporate governance and to comply with the laws, rules and regulations that govern ARB's business operations are established and effected. Such framework and policies apply to all employees of ARB, as well as to directors (where applicable), temporary workers and other independent contractors and consultants when engaged by or otherwise representing ARB and its interests.

These sections are extracted from the original ARB's CG Policy and Framework, with minor additions to improve relevance and completeness within the context of the Board Charter.

8.6.2 Conflict of Interest ("COI") Management

The Board will ensure that policies are in place to prohibit or strictly limit potential conflicts of interest, including but not limited to:

- Related Party Transactions
- Potential Misuse of Corporate Assets
- Use of Privileged Information for Personal Advantage

8.6.3 Policies and framework shall be evaluated through a structured review process to ensure effective oversight of financial reporting, audit processes, internal controls, and compliance with applicable laws and regulations.

8.6.4 The GMD of ARB should not be a member of any Board Committees but may be invited to its meetings.

8.7 *Governance of Subsidiaries*

8.7.1 The Subsidiaries' Board is responsible for the stewardship of the subsidiary and owes a duty to act in its best interest with due regard for the interests of the parent, the ultimate shareholder.

8.7.2 The Board should consider disposing of or selling its stakes in companies in financial distress or continued loss, except when such companies are or planned to be restructured. The same should be applied to dormant subsidiaries.

8.7.3 The Board is responsible for ensuring all layers of subsidiaries are managed and monitored prudently, especially those with financial or performance issues. For

These sections are extracted from the original ARB's CG Policy and Framework, with minor amendments made to ensure that the Board Charter reflects content relevant solely to ARB, excluding references to the ARB Group.

Section 8.7.3 addresses MOF's FAQ No. 2.

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example, amongst others, the Board shall identify and clarify:

- i. Items of interest, transactions or activities that are required to be submitted by the subsidiaries for approval of the Board and matters to be submitted for information. Amongst the items that require the approval of the Board are:
 - a. Formation or acquisition of new subsidiaries;
 - b. Disposal or winding down subsidiaries, including any sale of the subsidiaries' fixed assets and any other assets with substantial value (a value that shall be determined by the Board);
 - c. Appointment and selection of subsidiaries' Board and Board Committee members. Such members could comprise not only from the Management of ARB, but also external directors that are appointed on the basis of their expertise and experience in relevant areas;
 - d. Appointment of the subsidiaries' CEO or MD;
 - e. All borrowings or loans received or given by ARB to the subsidiaries, including the terms of such loans and borrowings
 - f. Salary and compensation scheme applied to the subsidiary, including increments and bonuses;
- ii. All such subsidiaries' financial reports and their analyses must be submitted for the Board's review on a quarterly basis.

These sections are extracted from the original ARB's CG Policy and Framework, with minor amendments made to ensure that the Board Charter reflects content relevant solely to ARB, excluding references to the ARB Group.

Section 8.7.3 addresses MOF's FAQ No. 2.

8.8 Evaluation of Board Performance

- 8.8.1 The Board shall conduct an annual review of its performance in accordance with established guidelines as per MOF. The review process will include an assessment of each individual Director's performance in line with corporate governance rules and all applicable laws, rules, and regulations as approved by the Board. Consideration of any changes in a Director's responsibilities that may have occurred since the director was first elected to the Board; and such other factors as may be deemed appropriate for review.
- 8.8.2 Each Board Committee is also required to conduct an annual evaluation of its own performance, as outlined in its respective charter. The results of these evaluations, both for the Board and its Committees, will be summarized and presented to the Board. The evaluation outcomes may influence decisions regarding Board composition,

These sections are extracted from the original ARB's CG Policy and Framework, with minor amendments made to reflect the best practices which align with MCCG (6.1) MOF (6.8, 6.43, 7.7) and Tatakelola (11.6)

Sections 8.8.2 is extracted from the original ARB's CG Policy and Framework, with minor amendments to reflect best practices which align with MCCG (5.6, 5.8)

Sections 8.8.3 till 8.8.6 are added to reflect best practices which align with MCCG (6.1)

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membership, and the extension of appointments.

8.8.3 The evaluation will review the onboarding process for new Directors and identify additional training required for Directors based on the evaluation outcomes.

8.8.4 Based on the evaluation results, the Board will implement actions to address improvement areas, which may include changes in Board composition or additional development programs.

8.8.5 The Board uses Peer Evaluation Form and Collective Board Assessment Form as stated by MOF for evaluations.

8.8.6 The results of annual performance evaluations must be submitted to the MOF.

8.9 *Director Orientation and Continuing Education*

8.9.1 Directors are expected to be well informed on the Public Trust Corporation Act 1995, the Trustee Act 1949 and other regulatory requirements.

8.9.2 ARB shall provide an orientation program for new directors within three months of appointment and shall include presentations by Management on ARB's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its operations, its Code of Conduct, its management structure, and its internal and external auditors.

8.9.3 The Company shall also make available continuing education programs for all members of the Board whereby directors are required to attend at least one training program annually and shall be considered in the performance evaluation.

These sections are extracted from the original ARB's CG Policy and Framework to with minor amendments to reflect the best practices as per MCCG (6.1) MOF (6.8, 6.43, 7.7) and Tatakelola (11.6)

9.0 **CODE OF CONDUCT FOR DIRECTORS**

9.1 As directors of ARB, whose core businesses include Wills, Estate Administration and Trusts, directors are expected to hold a high degree of integrity and have direct fiduciary duties as trustees in addition to the standards set by the rules and regulations under which ARB operates, such as duties:

- i. to act in good faith;
- ii. not to place himself in a position where his duty and his interest may conflict;
- iii. to be accountable to the beneficiaries or co-trustees;

These sections are extracted from the original ARB's CG Policy and Framework, with minor amendments to ensure the Board Charter reflects only the collective duties and responsibilities of the Board as a whole.

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9.2 Therefore, and additionally, directors are expected:

- i. To uphold the best interest of ARB and its stakeholders and to act with integrity and in good faith, with due diligence and care;
- ii. To have a proper understanding of the affairs of ARB, developments in the industry in which ARB is involved in, and to devote sufficient time to their responsibilities;
- iii. To keep Board discussions and deliberations confidential;
- iv. To understand, identify and measure the significant risks to which ARB is exposed in its business activities;
- v. To establish, independently assess and question the policies, processes and procedures of ARB in line with its mission and vision;
- vi. Not to make improper use of information gained through the position as a director;
- vii. To maintain sufficient detailed knowledge of the ARB's business and performance to make informed decisions;
- viii. To be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions of the Board;
- ix. To treat fairly and with respect all of ARB's employees and customers with whom they interact;
- x. To abstain themselves from any discussions or decision-making that involves a subject in which they are incapable of providing objective advice or which involves a subject or proposed conflict of interest;

These sections are extracted from the original ARB's CG Policy and Framework with minor amendment.

9.3 It is the responsibility of directors to declare their existing obligations and interests and provide continuous updates on their particulars in the Statutory Books of ARB maintained by the Company Secretary.

These sections are extracted from the original ARB's CG Policy and Framework with minor amendment.

10 BOARD OF SUBSIDIARIES

- 10.1 The Board of Subsidiaries represents the subset of the Board, having specific rights and obligations to manage the subsidiary in accordance with its specific operating mandate and interest of its stakeholders.
- 10.2 The Board, via the Nomination and Remuneration Committee, shall appoint its candidates to the subsidiary's Board. The subsidiary's Board shall comprise members

These sections are extracted from the original ARB's CG Policy and Framework, with minor additions to improve relevance and completeness within the context of the Board Charter

Section 10.3 answers MOF's FAQ No.3 and 8

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from the Board of ARB in ensuring that the collective interest of ARB is consistent and streamlined with stakeholders' aspirations.

10.3 In addition, the Board monitors the performance of subsidiaries inter alia by:

- i. Financial statements, in particular the major decisions or investment made by the subsidiary companies, statements containing all significant transactions and arrangements entered into by the subsidiary companies;
- ii. Minutes of the meetings of the subsidiary companies.

These sections are extracted from the original ARB's CG Policy and Framework, with minor additions to improve relevance and completeness within the context of the Board Charter

10.4 The CEO or GMD of ARB may be appointed to the Board of a subsidiary only if the ARB holds full (100%) equity ownership and the subsidiary's operations align and support the parent company's business activities. Additionally, the CEO or GMD may hold directorships in no more than three such subsidiaries.

Section 10.3 answers MOF's FAQ No.3 and 8

11 COMPANY SECRETARY

11.1 The Company Secretary plays a key role in supporting the Board and ensuring compliance with corporate governance standards. The roles and responsibilities of the Company Secretary include, but are not limited to:

- Board and Committee Administration
- Governance and compliance advisory
- Director appointment, professional development, and assessment
- Regulatory filings and shareholder engagement
- Corporate Governance and stakeholder engagement

Sections 11.0, 11.1 and 11.2 are added to reflect best practices which align with MCCG (1.5), CA2016 (102), and MOF (41, 4.2, 4.3, 4.4).

11.2 The Company Secretary should possess relevant knowledge and expertise in company law, corporate governance, and regulatory compliance, with a commitment to continuous professional development

Sections 11.0, 11.1 and 11.2 are added to reflect best practices which align with MCCG (1.5), CA2016 (102), and MOF (41, 4.2, 4.3, 4.4).

12 REVIEW OF BOARD CHARTER

This Board Charter shall be reviewed every two (2) years, or as necessary, to ensure compliance with the latest MOF circulars and regulations, and to strengthen governance practices. The updated Board Charter will be published on ARB's official website for transparency.

Sections 12 are added to reflect best practices which align with MCCG (2.1) and MOF (3.1).