



**MMS VENTURES BERHAD**

*(Company No. 647125 - P)*

(Incorporated in Malaysia)

**BOARD CHARTER**

**1 OVERVIEW**

The Board Charter sets out the Board's strategic intent and outlines the Board's principal functions, composition, roles and responsibilities of the Board of Directors of MMS Ventures Berhad ("MMSV" or "Company") as well as the functions and responsibilities delegated to the Board Committees and also the Management of MMSV Group.

The Board of Directors of MMSV is primarily responsible for ensuring that the principles of good corporate governance are practised and appropriate governance frameworks are in place in safeguarding and enhancing shareholders' and stakeholders' values and in promoting stability.

The Board of Directors of MMSV is committed in setting strategic directions and overseeing the conduct of business as well as in ensuring that the Company is in compliance with laws and ethical values while maintaining effective governance structures to ensure appropriate management of risks and internal controls.

The Board of Directors of MMSV recognizes the value of good governance and the significant milestone of the Malaysian Code on Corporate Governance 2017 which focuses on enhancing board effectiveness by strengthening board structure and its composition while recognizing the fiduciary role of each of the members of the Board.

**2 OBJECTIVES**

The Board Charter aims to guide the Board in its stewardship role of the Group by ensuring that its members are aware of their roles, duties and responsibilities. It also helps to ensure the application of principles and practices of good corporate governance in its business conduct and dealings, and the various laws and legislations that govern the Company and its Board members.

**3 BOARD OF DIRECTORS**

**3.1 Roles and Responsibilities**

The Board is collectively responsible for the overall stewardship of the Group's business and the creation of long term shareholders' value, whilst taking into account interest of other stakeholders.

The Board is responsible for:

### **3 BOARD OF DIRECTORS (CONT'D)**

#### **3.1 Roles and Responsibilities (Cont'd)**

- i) Reviewing and adopting strategic plan/direction of the Company and Group, taking into consideration the sustainability of the Group's business and monitor the implementation of such plan/direction by the Management;
- ii) Reviewing and adopting corporate objectives of the Company and Group which includes performance targets and long-term and medium-term goals;
- iii) Identifying strategic plan of the Company and Group that supports long-term value creation and includes on economic, environmental and social considerations underpinning sustainability;
- iv) Identifying principal risks of the Company and Group to ensure the implementation of appropriate internal controls and measures that monitor and manage these risks;
- v) Identifying plans in place for the Company and Group to ensure the orderly succession of the Board and Top Management, including implementation of appropriate systems for recruiting, training and determining the appropriate compensation benefits;
- vi) Overseeing the implementation of a shareholders' communication policy and investors' relations program for the Company, to enable effective communications with its shareholders and stakeholders;
- vii) Reviewing the adequacy and integrity of the Group's internal control systems and management information systems to ensure regulatory compliance with applicable laws, regulations, rules and guidelines;
- viii) Overseeing that both safety and security risks are managed effectively to ensure protection of personnel, information and other assets; and
- ix) Delegating certain responsibilities to the various Board Committees with clearly defined terms of reference to assist the Board in discharging its responsibilities.

#### **3.2 Powers and Duties**

- i) The Directors shall exercise all such powers of the Company and do all such acts on behalf of the Company in managing the business within the scope of the Company's Constitution and of the Companies Act, 2016.
- ii) The Board is to establish written procedures in determining the relevant issues which require the decision of the Board and issues which can be delegated to the Board Committees or to the Management.

### **3 BOARD OF DIRECTORS (CONT'D)**

#### **3.2 Powers and Duties (Cont'd)**

- iii) The Board has full decision-making powers on the following matters:
  - a. Business continuity plan
  - b. Annual business plan and major capital budget
  - c. Corporate strategies
  - d. Issuance of new shares
  - e. Proposal for dividend payout
  - f. Major capital expenditure which are not in the ordinary course of business of the Group
  - g. Treasury and risk management policies
  - h. Related party transactions
  - i. Unaudited financial results announced to the public at every quarter and audited financial statements
  - j. Any other issues which may be decided by the Board from time to time

### **4 BOARD COMPOSITION AND SIZE**

The Board determines the Board's size and composition, subject to limits imposed by the Company's Constitution. The Constitution provides for a minimum of 2 directors and a maximum of 9.

In compliance with Paragraph 15.02 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements, at least two directors, or one third of the Board, whichever is higher, shall comprise Independent Directors. In the event the number is not three or in the multiples of three, then the number nearest to one third shall be used. The Board shall comply with the Bursa Securities Listing Requirements as may be amended from time to time in respect of the composition of the Board.

The Board shall have a balance mix of skills, knowledge and expertise to ensure its effectiveness.

There are currently seven Directors on the Board of MMSV comprising three Independent Non-Executive Directors, two Non-Independent Non-Executive Director and two Executive Directors.

The Executive Directors shall together with the Management Team be responsible for the making and implementing of operational decisions. The Non-Executive Directors play a key supporting role in contributing their skills, expertise and knowledge towards the formulation of the Group's strategic and corporate objectives, policies and decisions.

#### **4 BOARD COMPOSITION AND SIZE (CONT'D)**

There is a separation of roles between the Company's Chairman and that of the Chief Executive Officer ("CEO") to ensure a clear division of responsibilities and a balance of control, power and authority. The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board, while the CEO has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The CEO is responsible to ensure due execution of strategic goals, effective operation within the Company and Group, and to explain, clarify and inform the Board on matters pertaining to the Company and Group.

A Director has the duty to notify the Chairman of the Company before accepting any new directorship appointment with the indication of time that he would spend on his new appointment.

#### **5 CHAIRMAN**

The Board shall appoint one of its members to be the Chairman of the Board in accordance with the Constitution of the Company.

The Chairman is responsible for:

- i) Leading the Board and ensuring its effectiveness in all aspects of its roles;
- ii) Representing the Board to shareholders and chairing general meeting of shareholders;
- iii) Facilitating meetings of the Board to ensure that no member, whether executive or non-executive, dominates discussion and that appropriate discussions take place with relevant opinions forthcoming from the Board members;
- iv) Ensuring effectiveness of the Board's leadership and instilling good corporate governance practices;
- v) Ensuring all relevant issues are on the agenda and that all Directors receive accurate, timely and clear information on issues to be discussed/already discussed during the meetings;
- vi) Ensuring that Executive Directors look beyond their executive function and accept their full share of responsibilities of governance and provide regular updates on all issues pertinent to the welfare and future of the Group to the Board;
- vii) Liaising and coordinating input from all Directors, especially Board Committees' Chairman, to optimize the effectiveness of the Board and its Committees;
- viii) Guiding and mediating Board actions with respect to organizational priorities and governance concerns; and
- ix) Performing other responsibilities assigned by the Board from time to time.

The Chairman may delegate specific duties to the Executive Directors, Board members and / or Committees as appropriate.

## **6 CHIEF EXECUTIVE OFFICER**

The Chief Executive Officer is assisted by the Chief Operating Officer in discharging his executive duties.

The Chief Executive Officer is responsible for:

- i) Ensuring the effective implementation of the Group's Business Plan (including strategic plan, annual operating plan and budget) and policies established by the Board;
- ii) Ensuring the achievement of the Group's mission, goals and objectives as well as the observance of management limitations;
- iii) Managing the Group's daily business affairs to ensure its smooth and cost-effective operations;
- iv) Overseeing the adequacy of human resources of the Group with respect to key positions in the Group's hierarchy and issues pertaining to employees' discipline;
- v) Ensuring the Group's Financial Reports present a true and fair view of the Group's financial condition and operational results and are in accordance with the relevant accounting standards;
- vi) Ensuring the compliance of Governmental Laws and Regulations;
- vii) Ensuring the Group's corporate identity, products and services are of high standard and are reflective of the market environment; and
- viii) Maintaining and facilitating a positive working environment and good employer-employee relations.

## **7 COMPANY SECRETARY**

The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board recognizes the fact that the Company Secretary should be suitably qualified and capable of carrying out the duties required of the post.

The Company Secretary is responsible for:

- i) Providing unhindered advices and services for the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance;
- ii) Preparing agendas and coordinating the preparation of the Board papers;
- iii) Ensuring the Board procedures and applicable rules are observed;
- iv) Maintaining the statutory and other records of the Group and ensuring the effective management of these records;
- v) Ensuring timely dissemination of information relevant to Directors' roles and functions and keeping them informed of the new and evolving regulatory requirements; and
- vi) Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.

## **8 BOARD COMMITTEES**

The Board may delegate responsibilities for specific matters to the Board Committees to assist in the discharge of its responsibilities. The Board Committees report and make recommendations to the Board who is ultimately responsible for all decision making.

The current Board Committees of MMSV are:

- i) Audit Committee
- ii) Nomination and Remuneration Committee
- iii) Risk Management and Sustainability Committee

Each Board Committee has its own Terms of Reference approved by the Board and are periodically reviewed by the Board. The Board may establish additional Board Committees from time to time to consider matters of special importance or to exercise the delegated authority of the Board.

## **9 APPOINTMENT, RETIREMENT AND RE-ELECTION OF DIRECTORS**

NC is responsible for considering and making recommendations to the Board candidates for directorship when the need arises such as to fill a vacancy arising from resignation or retirement or to close any skills, competencies or diversity gap that has been identified.

In assessing the suitability of a candidate, the NC will take into consideration the candidate's skills, knowledge, expertise, competence and experience, time commitment, character, professionalism and integrity.

For the position of independent non-executive director, the NC will evaluate the candidate's ability to discharge such responsibilities as required of an independent non-executive director. Recruitment matters are discussed by the NC before the entire Board makes the final decision on new appointments.

Re-appointment and re-election of directors at the Annual General Meeting ("AGM") are recommended by NC to the Board for its approval.

In accordance with the Company's Constitution, all directors are subject to retire by rotation at least once every 3 years but shall be eligible for re-election.

The Company's Constitution also provides that any director appointed during the year shall retire and seek re-election by the shareholders at the forthcoming AGM immediately after his/her appointment.

## **10 DIRECTORS' REMUNERATION**

The Group's framework on directors' remuneration has the underlying objectives of attracting and retaining directors of high caliber needed to run the Group successfully. In the case of Executive Directors, the various components of the remuneration are structured so as to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration reflects the expertise, experience and level of responsibilities undertaken by them. Where applicable, the Board also takes into consideration any relevant information provided by independent consultants or from survey data.

## **11 BOARD MEETINGS AND PROCEDURES**

The Board shall meet at least 5 times a year and adopt a formal schedule of matters reserved for the Board to decide. The quorum for the Board meeting shall be 2 members.

The Chairman is responsible, in consultation with the Company Secretary, for the conduct of all Board meetings that the agendas are appropriate, whilst the recommendations fit the strategic direction set by the Board.

## **12 DECLARATION OF INTEREST/CONFLICT OF INTEREST**

A Director, who is in any way, whether directly or indirectly interested in a contract or proposed contract with the Company shall declare the nature of his interests in accordance with the provisions of the Companies Act, 2016 and shall excuse himself from Board discussions and deliberations and voting in respect of those resolutions/interests.

Related party transactions, which include any financial transaction and/or conflict of interest between a Director or officer and the Group, shall be reported at each Board meeting.

## **13 ACCESS TO INFORMATION AND ADVICE**

The Board members have access to all information pertaining to the Group and Management shall supply accurate and complete information to the board in a timely manner to enable the Board to discharge its duties effectively.

All Directors have access to the advice and services of the Company Secretary. When need arises, the Directors may take independent professional advice in the furtherance of their duties at the Company's expense. Before incurring the professional fee, the Director concerned must seek the approval of the Board.

## **14 DIRECTORS' TRAINING**

All the Directors have attended and completed the Mandatory Accreditation Program prescribed by Bursa Securities.

The Directors will continue to participate in other relevant training programs to further enhance their skills and knowledge in discharging their duties as Directors in an effective manner.

## **15 FINANCIAL REPORTING**

The Board is responsible for reviewing the Management's draft financial statements. The Company aims to present a clear and fair assessment of the Group'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 is assisted by the Audit Committee who helps to scrutinize information to ensure disclosures are made accurately and adequately on a timely basis.

## **16 SHAREHOLDERS' COMMUNICATION POLICY**

The Board ensures timely release of financial results and various announcements to provide shareholders with an overview of the Company's performance, corporate strategies and other matters affecting the interests of shareholders.

The Board shall prepare issues to be dealt with at shareholders' meetings and use the shareholders' meeting to communicate effectively with its shareholders, stakeholders and the public in general.

The Board maintains appropriate corporate disclosure policies and procedures which are in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad.

## **17 REVIEW OF THE BOARD CHARTER**

The Board shall review the Board Charter periodically and to make any necessary amendments as and when the Board deems necessary.

*Reviewed and updated by the Board on 3 April 2023*