

**Board Charter**

**1. Introduction and Purpose of the Board Charter**

This Board Charter is a Charter of the Board of Directors (“Board”) of PUC Berhad (“PUC” or “the Company”) and its subsidiaries (“the Group”) which sets out its desired corporate governance landscape.

The essence of this Board Charter is to achieve excellence in corporate governance through strengthening self and market discipline, promoting good compliance with laws and ethical values, and maintains the standards of corporate governance culture to ensure appropriate management of risks and level of internal controls within the Group.

The Board together with the stakeholders in embarking on a journey to continuously improve the corporate governance framework of the Group must embrace the understanding that good business is not just about achieving the desired financial bottom line by being competitive alone, but also by being ethical and sustainable with the ultimate objective of realising long-term shareholders value whilst ensuring that the interests of other stakeholders are not being compromised.

This Board Charter acts as a source of reference to the Board setting out the principles for the operation of the Board, the demarcation of the roles, functions, operations, responsibilities, composition and powers of the Board designed to provide guidance, clarity, coordination in its stewardship role of the Group based on the Companies Act 2016 (“CA 2016”), the Company’s Constitutions, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“ACE Market LR”), the Capital Markets and Services Act 2007 (“CMSA”) and the adopted related best practices and guidance from the recommended principles of the Malaysian Code on Corporate Governance 2021 (“the Code”) and does not overrule or preempt the statutory requirements and other relevant statutes that are in force.

This forms an integral part of each Director’s duties and responsibilities and also acts as a general statement of intent and expectation as to how the Board discharges its duties and responsibilities simultaneously promoting effective communication between the Board, the various Board Committees and those delegated to the management of the Company to achieve a high standard of business integrity, ethics and professionalism in yielding the overall direction and control of the Group.

## **2. Composition and Balance of the Board**

- 2.1. The composition of the Board is determined by the Board from time to time based on, among others, consideration of the evolving circumstances of the Group and shall be of a composition with the benefit of diversity in profiles in terms of age, ethnicity and gender providing the necessary range of perspectives, knowledge, regional and industry experiences, cultural and geographical background, expertise, skills and time commitment required to enable an effective stewardship and management whilst retaining its competitive advantage to address the current and emerging issues of the businesses required for the successful direction of the Group.
- 2.2. The Board shall comprise of at least two (2) Directors and shall be a natural person who is at least eighteen (18) years of age where the minimum number of Directors shall ordinarily reside in Malaysia by having a principal place of residence in Malaysia. At least half of the Board shall comprise of Independent Directors.
- 2.3. The tenure of Independent Directors is capped to a cumulative period of 9 years. Upon completion of the nine years, the independent director may continue to serve in the Board as a Non-Independent Director.
- 2.4. If the Board continues to retain the Independent Director beyond the nine years, the Board should provide justification and seek annual members' approval through a two-tier voting process.
- 2.5. An Independent Director is one whom the Board affirmatively determines has no material relationship with the Company (either directly or indirectly). The presence of the Independent Directors is essential in providing independent unbiased and impartial opinion, advice and judgement without being subordinated to operational considerations carrying significant weight in the Board's decision making process to ensure that the interests, not only of the Group but also that of its shareholders, employees, stakeholders in which the Group conducts its business are well represented and taken into account thus playing a key role in corporate accountability.
- 2.6. Accordingly, the Nomination Committee is established and entrusted by the Board to appraise suitability of candidates for directorship, including those who retire but offer themselves for re-election, before recommending to the Board. The Board is mindful of the need of boardroom diversity and in this context; the Nomination Committee in evaluating, assessing and recommending to the Board for approval shall take into consideration qualifications, credentials, core competencies vis-à-vis the compositions of

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required mix of skills to demonstrate knowledge, expertise and experience, character, gender, age, race, professionalism, integrity, competencies, time commitment and other qualities which the director would bring to the Board to effectively discharge his/ her roles and responsibilities as director of the Company.

- 2.7. Currently, the Board comprises of eight (8) members, out for which, there are two (2) female Board members.
- 2.8. The Nomination Committee selects the right calibre of Board members based on the desirable characteristic or summarised below:-

<b>Desirable Characteristics of Directors</b>	
<b>Personal Characteristics</b>	
<b>Integrity and Accountability</b>	High ethical standards, integrity and strength of character in his/ her personal and professional dealings with a willingness to act on and be accountable for his/ her decisions.
<b>Informed Judgement</b>	Demonstrate intelligence, wisdom and thoughtfulness in decision-making with a willingness to thoroughly discuss issues, ask questions, expresses reservations and voice dissent.
<b>Financial Literacy</b>	An ability to read and understand statements of financial position, statements of profit or loss and other comprehensive income, statements of cash flows and understanding financial ratios and other indices for evaluating the Group's performance.
<b>Mature Confidence</b>	Assertive, responsible and supportive in dealing with others, openness to others' opinion and the willingness to listen.
<b>High Standards</b>	History of achievements that reflect high standards for himself/ herself and others.
<b>Core Competencies</b>	
<b>Accounting and Finance</b>	Experience in financial accounting and corporate finance especially with respect to trends in debt and equity markets and familiarity with internal financial controls.
<b>Business Judgement</b>	Record of making good informed business decisions and evidence that roles and responsibilities as a director will be discharged in a bona fide manner that is in the best interest of the Group.

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<b>Management</b>	Experience in corporate management and understand management trends in general and in areas which the Group conducts its business.
<b>Crisis Response</b>	Ability to perform during periods of both short-term and prolonged crisis.
<b>Industry/ Technology</b>	Unique experience and skills in an area in which the Group conducts its business, including media and advertising, e-commerce and technology relevant to the Group.
<b>International Markets</b>	Experience in global markets, international issues and foreign business practices.
<b>Leadership</b>	Understand and possess skills and have a history of motivating high-performing, talented managers.
<b>Strategic and Vision</b>	Skills and capacity to provide strategic insight and direction by encouraging innovations, conceptualising key trends, evaluating strategic decisions and challenging the Group to sharpen its vision

- 2.9. In a dynamic and complex business environment, it is imperative that all Directors are devoted and commit to their roles and responsibilities to the Group, including in the exercise of their fiduciary and leadership roles. The Directors shall inform the Chairman before accepting any new directorships in other public listed companies which shall include an indication of time commitment in that other listed company.
- 2.10. The Board recognises the importance of having a clearly separation of power and responsibilities to ensure no repetition of duties and authority, a balance between power and authority. It is the policy of the Board to keep the roles of the Chairman and the Group Managing Director/ Group Chief Executive Officer (“GMD/CEO”) separate.

### 3. Role of the Board

- 3.1. The Board is the ultimate decision-making body of the Group and is responsible for the overall direction and vision of the Group’s business and affairs on behalf of the shareholders with the exception to matters which requires the approval of shareholders. The Board delegates authority for the actual conduct of the business to the GMD/CEO who together with the management team is accountable to the Board.
- 3.2. Where the Directors have delegated any power, the Directors are responsible for the exercise of the power by the delegate as if the power had been exercised

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by the Directors themselves unless (a) the Directors believed on reasonable grounds that the delegate would at all times exercise the power in conformity with the duties imposed on the Directors under the law and the Constitution of the Company, and (b) the Directors believed on reasonable grounds, in good faith and after making a proper inquiry if the circumstances indicated the need for the inquiry, that the delegate was reliable and competent in relation to the power delegated.

3.3. Directors are under a general duty to make disclosure and shall give notice in writing to the Company of the particulars or any change including the consideration, if any, in respect of particulars relating to the shares, debentures, participator interests, rights, options and contracts as are necessary for the purposes of compliance with the Register of directors' shareholdings, etc. by the Company.

3.4. In essence, the Board is expected to strike a reasonable balance between the performance roles of strategy foundation and policy-making on the one hand and the conformance roles of executive supervision and accountability on the other. The principal responsibilities of the Board including those adopted from the Code are:

- reviewing, challenging and adopting the overall strategic plans, goals and directions of the Group taking into account the sustainability of the Group's business given the attention to the economic, environmental, social and governance aspects and other relevant matters that may be influential to the development of the business or interests of the shareholders;
- overseeing and evaluating the conduct and performance of the Group's business by ensuring that proper procedures and measures are put in place against which management's performance can be assessed;
- identifying principal risks of all aspects of the Group's business and recognising that business decisions involve the taking of appropriate risks thus the Board must ensure the implementation of appropriate internal controls and risk management system which effectively monitor and manage these risks by commencing with the establishment of an internal audit function which reports directly to the Audit and Risk Management Committee;
- succession planning and orderly succession of the Board, the Board Committees and management, which includes appointing, training, fixing the compensation of the Board, and where appropriate, replacing Board

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member(s), the Board Committees and key management with individuals that are of sufficient calibre;

- developing and implementing a Corporate Disclosure Policy (including an investor relations programme or shareholders' and stakeholders' communications policy) for the Group including how feedback received from its stakeholders are considered by the Group when making business decisions;
  - reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules directives and guidelines in light of material changes to the size, nature and complexity of the Group's business;
  - monitoring and reviewing management processes aimed at uplifting the integrity of financial and other reporting requirements to ensure that the Company's financial statements are true, fair and conform with the relevant accounting standards including adopting annual budgets and approving the Company's financial statements; and
  - ensuring that the Group adheres to high standards of ethics and corporate behaviour to safeguard the interests of shareholders.
  - working together with the management to take responsibility for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets.
- 3.5. In overseeing the conduct of the Group's businesses, the Board shall ensure appropriate financial planning, operating and reporting frameworks, risk management framework and internal control system are established.

#### **4. Role of the Chairman**

The Chairman is appointed from a member of the Board and carries out a visionary leadership role in the conduct of the Board and is primarily responsible for:

- 4.1. leading the Board in the oversight of the management setting the values and ethical standards of the Group to ensure balance of authority and increased accountability for a greater capacity for independent decision-making;

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- 4.2. representing the Board to shareholders and chairing general meeting of shareholders;
- 4.3. ensuring the integrity of the governance processes and issues by guiding and mediating the Board's actions with respect to organisational priorities and governance concerns;
- 4.4. acting as the conduit between management and the Board by maintaining regular dialogue with the GMD/CEO over all operational matters and consulting with the remainder of the Board promptly over any matters that gives him/ her cause for major concern;
- 4.5. functioning as a facilitator at meetings of the Board to ensure effective contributions of the Board by promoting a culture of openness and debate by obtaining suggestions and comments from other directors so that no individual or group dominates the decision-making process;
- 4.6. undertaking the primary responsibility for organising information necessary for the Board to deal with items on the agenda and for providing this information to Directors on a timely basis including being properly briefed on issues arising at Board meetings where the Board comes to clear decisions;
- 4.7. enabling every Board resolution to be voted on and ensuring the will of the majority prevails in accordance with the prescribed Constitution of the Company; and
- 4.8. performing other responsibilities assigned by the Board from time to time.

### **5. Role of the GMD/CEO**

- 5.1. The position of the GMD/CEO is a member of the Board and in essence assumes the overall responsibility to ensure the effective implementation of the Group's organisational strategy, targets, business plans and policies established by the Board as well as to manage the daily conduct of the businesses and affairs ensuring its smooth operation and driving performance within strategic goals and commercial objectives.
- 5.2. All Board authority conferred on the management is delegated through the GMD/CEO so that the authority and accountability of management is considered to be the authority and accountability of the GMD/CEO so far as the Board is concerned.

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- 5.3. In the absence of the GMD/CEO, the Board shall appoint a suitable person to lead the management in the running of the Group.
- 5.4. The GMD/CEO is responsible to the Board for the following:
- executive management of the Group's business covering, inter alia, the development of a strategic plan, an annual operating plan and budget, performance benchmarks to gauge management performance and the analysis of management reports;
  - developing and recommending to the Board long-term strategy and vision for the Group that leads to the creation of long-term prosperity and stakeholder value together with short-term profit plans;
  - to foster a corporate culture that promotes ethical practices, encouraging individual integrity, set, review, maintain and ensure compliance with the Group's value that is positive and conducive to attract, retain and motivate a diverse workforce at all levels hence effectively oversee the human resources of the Group with respect to key positions in the Group's hierarchy;
  - directing and controlling all aspects of the business operations in assuring that the Group's corporate identity, products and services are of continuous high standards and are reflective of the market environment;
  - to be accountable to the Board for the financial management and reporting including forecasts and budgets of the Company and ensures that 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;
  - being the public face by acting as the official spokesman for the Group and responsible for regulatory, governmental and business relationships to ensure compliance with governmental procedures and regulations by reviewing policies and monitoring compliances;
  - coordinates business plans with the businesses heads, coordinates management issues through the Board, and oversees divisional function groups and cost containment process in consultation with the finance controller;

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- assist the Chairman in organising information necessary for the Board to deal with the agenda and for providing this information to Directors on a timely basis.

5.5. The sound operation of the Group is bestowed critically on the GMD/CEO thus he / she must be able to devote his/ her full undivided attention and time to be able to discharge his/ her duties and responsibilities effectively and diligently.

### **6. Board Processes**

Board meetings shall be conducted in a business-like manner where all Directors must devote sufficient time to prepare for and attend Board meetings and are encouraged to share their views and partake in open discussions and debate.

#### **6.1. Frequency**

- 6.1.1. The Board shall meet regularly to discharge its duties effectively, at least on a quarterly basis in each financial year and special Board meetings shall be held in addition to the quarterly meetings as and when required. Prior notice of meetings will be given to all who are required to attend the meetings.
- 6.1.2. Board members are required to attend the Board meetings as attendance of each individual director for meetings held in a financial year are required to be disclosed in the Annual Report.
- 6.1.3. Notwithstanding the scheduled Board meetings, any Director may, at any time, and the Company Secretary shall, on the requisition of the Director, convene a meeting of directors. The Board may invite external parties such as the auditors, solicitors, consultants and/or senior management as and when the need arises, but not necessarily for the full duration of the meeting.
- 6.1.4. All proceedings in Board meetings are recorded as minutes of meeting and signed by the Chairman in accordance with the provisions of the CA 2016 as amended from time to time.

**6.2. Agenda**

- 6.2.1. The notice of a Directors' meeting shall be given in writing at least five (5) days prior the meeting, except in the case of an emergency where reasonable notice of the meeting shall be sufficient.
- 6.2.2. The agenda shall include, amongst others, matters specifically reserved for the Board's decision. The Board shall record its deliberation in terms of the issues discussed and the conclusions thereof in discharging its duties and responsibilities.

**6.3. Meeting Mode**

- 6.3.1. A meeting shall normally be conducted face-to-face to enable effective discussion however if a director is unable to be physically present, the director may opt to participate via telephone conferencing, video conferencing or other appropriate means as determined by the Board.
- 6.3.2. Board papers and agenda items are to be circulated at least five (5) days prior to the meeting to allow sufficient time for the Board to consider relevant information.
- 6.3.3. The draft minutes shall be circulated together with the Board papers at the following Board meeting. If one or more directors requests their opinion to be noted, the Company Secretary shall comply with the request.

**6.4. Quorum**

- 6.4.1. In order to form a quorum for the Board meeting, at least two (2) Directors must be present at the meeting.
- 6.4.2. In the absence of the Chairman, the Directors present shall elect a Chairman for the meeting from amongst the members present.

**6.5. Meeting Mode**

- 6.5.1. A meeting shall normally be conducted face-to-face to enable effective discussion however if a member of the Board is unable to be physically present, the member may opt to participate via telephone conferencing, video conferencing or other appropriate means as determined by the Board.

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### **6.6. Voting**

- 6.6.1 All resolutions of the Board shall be adopted by a simple majority vote, each member having one vote. In case of equality of votes, the Chairman of the Board shall have a second or casting vote.
- 6.6.2 A Board member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.

### **6.7. Access to Information and Independent Professional Advice**

- 6.7.1. All Directors (executive and non-executive) shall have the same right of unrestricted access to all information within the Group whether as a full board or in their individual capacity in furtherance of their duties and responsibilities as Directors of the Company, subject to a formal written request to the Chairman (which may not be unreasonably withheld) furnishing satisfactory and explicit justification for such request.
- 6.7.2. All Directors shall have access to the advice and services of the Company Secretary. The Board shall recognise that the Chairman is entitled to the strong and positive support of the Company Secretary in ensuring the effective functioning of the Board.
- 6.7.3. The full Board or in their individual capacity, in furtherance of their duties and responsibilities shall be able to obtain an independent professional advice at the Company's expenses.

## **7. Company Secretary**

- 7.1. The Company Secretary shall be suitably qualified, competent and capable of carrying out the duties diligently and impartially.
- 7.2. The Company Secretary is prohibited to act in a dual capacity as both a Director and a Company Secretary in a situation that requires or authorises anything to be done by a Director and a Company Secretary.
- 7.3. The key role of the Company Secretary shall include:
  - provide unhindered advice and services for the Directors as and when the need arises;

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- enhance the effective functioning of the Board;
- advise the Board on corporate governance and other regulatory compliance;
- preparing agendas and coordinating the preparation of the Board papers in a timely and effective manner;
- ensure that Board procedures and applicable rules are being observed;
- maintaining records of the Board and ensure effective management of organisational records;
- preparing comprehensive minutes to document Board proceedings and ensure conclusions are accurately recorded;
- assisting the communications between the Board and management; and
- providing full access and services to the Board in carrying out other functions deemed appropriate by the Board from time to time.

### **8. Board Committees**

8.1. The Board should establish and delegate specified matters to individual members or Committees of the Board to oversee critical or major functional areas which required detailed review or in-depth consideration in addressing those matters.

8.2. The following Board Committees operates within and are governed by their specific respective terms of reference and are to report back to the Board:

#### Nomination Committee (“NC”)

Dealing with the selection and assessment of Directors and the Board based on merits as a whole.

#### Remuneration Committee (“RC”)

Granted the authority to recommend to the Board, the competitive remuneration packages of the executive Directors. It is nevertheless, the

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ultimate responsibility of the entire Board to approve the remuneration of the executive Directors. The determination of the remuneration of non-executive Directors is a matter of the Board as a whole with the non-executive Directors' concerned abstaining from any deliberation and votes in respect of his/ her remuneration.

### Audit and Risk Management Committee ("ARMC")

Provides independent oversight of the Group's financial, accounting, reporting practices disclosure, regulatory compliance, risk management and monitoring of internal control processes within the Group having unrestricted access to any information from independent professional or other advice pertaining to the Group.

- 8.3. The Board reserves the right to establish Committees other than those mandatory from time to time in the discharge of its duties and responsibilities.
- 8.4. Where a Committee is formed, specific terms of reference of the Committee would be established to serve as a guidance note which covers matters such as the purpose, composition, functions, extent and limits of responsibilities and authority of the Committee.
- 8.5. The Chairman of the Board shall not be a member of the ARMC, NC and RC.

## **9. The Board's Relationship with Shareholders and Stakeholders**

- 9.1. The Board shall use its best endeavour to familiarise itself with issues of concern to shareholders and shall maintain an effective communications policy that enables both the Board and Management to communicate effectively with its shareholders, stakeholders and the general public.
- 9.2. The Board shall ensure a channel of communication is made available for shareholders to contact the Company, and ensure relevant contact information is made available to shareholders on the Company's website and annual report.
- 9.3. It is the role of the Board to ensure that the general meetings of the Company are conducted in an efficient manner and serves as a crucial mechanism in shareholder communications. Key ingredients behind this include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the AGM.

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- 9.4. The Board will focus its efforts on the following best practices to enhance the effectiveness of the General Meetings:
- ensure that each item of special business included in the notice to be accompanied by a full explanation of the effects of the proposed resolution;
  - ensure that the Chairman provides reasonable time for discussion at the meeting. Where appropriate and if required, the Chairman will also undertake to provide written answer to any significant question which cannot be answered immediately; and
  - conduct a business presentation with a question and answer session, where appropriate and if required.
- 9.5. The GMD/CEO shall take responsibility for addressing queries from shareholders and stakeholders.

## **10. Induction Process**

- 10.1. The objective of the induction process and training programme is to provide Directors with a rapid and clear insight into the Group as well as keeping them up-to-date with the development in the market place pertaining to the oversight function of Directors.
- 10.2. The Induction of Directors may include, but not limited to, the following:
- brief on business/strategic plans, pertinent management reports; profile of key competitors and significant reports by management consultants on areas of board responsibilities;
  - time with other Directors to enable further insights and knowledge of the Group; and
  - visits to key sites.

## **11. Directors' Training and Development**

- 11.1. All directors must maintain a sound understanding of the business of the Group and shall ensure that they keep abreast of market and regulatory changes, other developments and broad business trends. The Board must

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evaluate and determine the training needs of its directors' commitment to on-going education on a continuous basis and ensure all directors have access to appropriate continuing education programmes.

- 11.2. Directors are strongly encouraged to undergo training to equip themselves to effectively discharge their duties as a director and for that purpose he/ she must ensure that he/ she attends such training programme.
- 11.3. Directors are required to undergo the Mandatory Accreditation Programme within four (4) months after being appointed on the Board of a public listed company.
- 11.4. All trainings attended by directors must be disclosed in the Annual Report where under special circumstances and valid justifications for non-attendance to any training by the directors during the financial year must also be disclosed.

## **12. Code of Ethics**

- 12.1. The Board shall formalise and maintain a set of ethical professional standards of behaviour, personal integrity and display of honesty in dealings are expected of all directors, employees and where applicable, counterparts and business partners and ensure its compliance.
- 12.2. All members of the Board shall safeguard all internal communications and treat them as strictly private and confidential, and for the use of the Board members only unless officially published.

## **13. Representation of the Company**

- 13.1. The Board shall in its best endeavour familiarise themselves with issues of concern to shareholders and ensure that relevant corporate disclosure policies and procedures are in place to ensure comprehensiveness, accuracy and timeliness in managing the communication of information to investors, stakeholders and the general public shall be disseminated in an orderly and effective manner while adhering, at all times, to relevant laws and regulatory requirements in compliance with the relevant disclosure requirements as enumerated in the ACE Market LR.
- 13.2. The Board believes that the management speaks for the Group thus the GMD/CEO is appointed to speak for and on behalf of the Group in most circumstances, but nevertheless at times, communication with shareholders or stakeholders may be inevitable.

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13.3. The Group considers the use of information technology in communicating with stakeholders, including a dedicated section for Investor Relations in the Company's website which comprise information such as the Board Charter and the Annual Report.

**14. Periodic Review**

This Board Charter shall be reviewed periodically and updated by the Board taking into consideration the needs of the Group as well as any development in rules and regulations that may have an impact to ensure they remain consistent with the Board's objectives, duties and responsibilities as well as relevant standards of corporate governance.

This Board Charter was reviewed by the Board on 24 November 2021 and is made available for reference on the Company's website, [www.puc.com](http://www.puc.com).