

# SUNSURIA BERHAD

Registration No.: 196801000641 (8235-K)  
Incorporated in Malaysia)

## BOARD CHARTER

### 1. INTRODUCTION

The Board of Directors of Sunsuria Berhad ("Sunsuria" or "the Company") is accountable and responsible for the governing, steering and monitoring the performance and affairs of the Company towards enhancing long term sustainable value creation aligned to our aim of realizing potential for our shareholders and stakeholders. The Board are responsible to ensure that the Company and its subsidiaries practices a high level of good governance.

The conduct of the Board is governed by principles of good governance as outlined in the Malaysian Code on Corporate Governance ("MCCG"), the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the provisions of the Companies Act, 2016 ("Act") and the Company's Constitution.

### 2. PURPOSE

The primary objective of the Board Charter is to set out the roles and responsibilities, functions, composition, operation and processes of the Board of Directors ("the Board") and to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members. The Board Charter would serve as a source reference and primary induction literature to provide the insights to the prospective board members and expectation as to how the Board will discharge its duties.

### 3. ROLES OF THE BOARD

A key role of the Board as a whole assumes full responsibility of leading, guiding and monitoring the performance of the Group and exploring new opportunity for the Group's continual business growth. To that, the Board also undertakes to work towards a balanced approach in fulfilling the Group's key business objectives and the stakeholders' expectations.

All Directors should objectively discharge their fiduciary duties and responsibilities at all times in the interests of the Company. Every director is required to keep abreast of his responsibilities as a director and of the conduct, business activities and development of the Company.

### 4. BOARD SIZE AND COMPOSITION

The Board should comprise :-

- a minimum of two (2) and a maximum of 12 members;
- at least one-third or a minimum of two of its members are independent directors, who are to provide independent judgment, experience and objectivity to the Board so that the interests of all shareholders are taken into account by the Board. If the number of Directors is not 3 or a multiple of 3, then the number nearest to 1/3rd must be used. If a vacancy in the Board results in non-compliance with the required composition of independent directors, the vacancy must be filled within 3 months (paragraph 15.02 of the Main Market Listing Requirements);
- members who possess the necessary qualifications, skills, qualities and experience towards achieving the Company's goals;

- members with the appropriate mix of knowledge, attributes and core competencies; and
- a meaningful proportion of non-executive directors with key attribute of independence. Such directors should ensure that the varied competing interests of all stakeholders are respected without sacrificing financial performance and accountability.

The Independent Directors shall serve for an initial of 9 years and any extension of term up to a maximum period of 12 years (including the initial 9 years served) will be individually considered by the Board and approved by the shareholders of the Company annually.

The Board shall appoint a Senior Independent Director, whose role, amongst others, are as follows:-

- (a) works closely and acts as a sounding board for the Chairman;
- (b) act as an intermediary for other Directors when necessary; and
- (c) becomes the point of contact for shareholders and stakeholders and also attend to any queries or concerns raised by them.

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

#### Appointments and Re-election

The appointment of a new Director is a matter of consideration and decision by the full Board, upon the recommendations from the Nomination Committee, either to fill a casual vacancy or as an addition to the existing Board.

In evaluating candidates for appointment to the Board, the Nomination Committee and the Board will review and assess the candidate based on experience, skill, competency, knowledge, potential contribution and boardroom diversity (including gender, ethnicity and age).

The Constitution of the Company provides that any newly appointed directors shall hold office until the next following Annual General Meeting ("AGM") of the Company and shall then be eligible for re-election. Further, one third (1/3rd) of the Board shall retire from office and be eligible for re-election at every AGM, and all the Directors shall submit themselves for re-election at least every three (3) years.

#### New Directorship

All board members shall notify the Chairman of the Board before accepting any new directorship. The notification shall include an indication of time that will be spent on new appointment.

The Chairman shall also notify the Board if he has any new directorship or significant commitments outside the Company.

#### Diversity

The Board value diversity in terms of perspective, knowledge, skill, industry experience, background, age, ethnicity, and gender amongst Directors.

All Board appointments are made on merit, in the context of skills, experience, independence and knowledge which the Board as a whole requires to be effective. The Board will review its composition and size from time to time as well as the balance of skills, experience, independence and knowledge on the Board and the diversity representation of the Board, including gender.

## 5. ROLE OF THE CHAIRMAN, EXECUTIVE DIRECTORS/OTHER DIRECTORS

### Chairman and Chief Executive Officer

The Chairman is elected by the Board and is responsible for the leadership and management of the Board, ensuring the Board and Board Committees carries out its responsibilities in the best interest of the Company. He oversees and evaluates the conduct and performance of the Group and undertake to ensure efficient functioning of the Board and that procedural rules are followed and quality information to facilitate decision-making is delivered to Board members on a timely basis. A Chairman can be executive or non-executive. The Chairman is also tasked to lead the Board in establishing and monitoring good corporate governance practices in the Company.

The Chief Executive Officer (“CEO”) is responsible for providing the vision and strategic direction of the Group and to formulate appropriate corporate strategies and develop the business.

Given the knowledge and extensive involvement of the Chairman in the business deriving from his wealth of experience and industry goodwill benefiting directly the Group, the role of the CEO remains vested in the Chairman. Nevertheless, functionally and for all purposes and intent, the responsibilities of the CEO are executed by delegated authority to designated Senior Management to ensure that division and accountability in essence are separated. He is assisted by the Chief Operating Officer, Chief Financial Officer and Chief Project Officer for implementing the policies and decisions of the Board and overseeing the day-to-day operations of the Group. Further, all decisions on matters reserved for the Board are made after due deliberation by the Board and Board Committees, where required.

### Non-Executive Directors

Non-Executive Directors (NEDs) are :-

- those who have no direct or indirect pecuniary interest in the Company other than their directors’ emoluments and/or their shareholdings in the Company; or
- those who are not employees of the Company and are not involved in the day-to-day running of business, but are standing as nominees for major shareholders.

NEDs would act as a bridge between Management and stakeholders, particularly shareholders. They would provide the relevant checks and balances, focusing on shareholders’ and other stakeholders’ interests and ensuring that high standards of corporate governance are applied.

### Senior Independent Director

The Chairman of the Nomination and Remuneration Committee has been designated as the Senior Independent Director of the Company and the point of contact for shareholders to convey their concerns. In addition, the Senior Independent Director acts as a sounding board for the Chairman as well as an intermediary for other directors, when necessary.

## 6. RESPONSIBILITIES OF THE BOARD

The Board has the overall accountability and responsibility for oversight and control of the Company's performance and conformance capabilities, which include, inter-alia, the following:-

- reviewing and adopting a strategic business plan for the Company to support long-term value creation and where appropriate, to include strategies on environmental, social and governance (“ESG”) considerations underpinning sustainability;
- overseeing the conduct of the Company's business to evaluate and assess management performance, including whether the business is being properly managed;
- setting risk appetite within which the Board expects management to operate, understand and identify principal risks and ensuring the implementation of appropriate risk management systems to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- establishing a succession plan for Board and senior management;
- reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- reviewing the term of office of the Audit Committee and each of its members annually;
- formulating corporate policies and strategies;
- approving key matters such as financial results as well as major investments and divestments, major acquisitions and disposals and major capital expenditure in accordance with the limits of authority;
- assessing on an annual basis the effectiveness of the Board, Board Committees and individual Directors, including the CEO and may periodically engage independent experts to facilitate such annual assessment, where appropriate; and
- reviewing the responsibilities of each Board Committee as and when required.

In carrying out its duties, there is a schedule of matters which are reserved specifically for the Board's decision and approval, which includes:

- annual business plans and budgets;
- strategic plans;
- material acquisitions and disposals of assets not in the ordinary course of business;
- investment in projects requiring major capital investment;
- financial results and financial statements;
- dividend recommendations including solvency tests;
- changes to the composition of the Board and Board Committees;
- changes relating to the share capital;
- appointment of external auditors and their fees;
- banking facilities; and
- establishment of long-term or share incentive plans

The Company has in place the Limits of Authority to guide the Board and Management on applicable thresholds for relevant approving authorities.

## **7. CONDUCT OF THE BOARD MEETINGS**

The Board will have minimally four (4) scheduled meetings annually, with additional meetings to be convened, as and when necessary.

Board meetings should be conducted in a manner where all directors feel encouraged to share their views and partake in discussions.

The notice of Board and Committee meetings, full agenda and the supporting meeting papers are given in sufficient time to the respective members to review, seek additional information and/or clarification on the matters for deliberations and decision making during each meeting.

Any Director who wishes to seek independent professional advice in the course of discharging his duties, may do so at the Group's expense.

Directors shall have access to all information and records of the Company and also the advice and services of the Company Secretary.

## **8. BOARD COMMITTEES**

The Board may from time to time establish Committees as it considers appropriate to assist in carrying out its duties and responsibilities.

The Board has delegated specific responsibility to its board committees whereby the Board Committees will deliberate and examine issues within their defined terms of reference and report to the Board with their recommendation.

The Board may also delegate specific functions to ad hoc committees, a Director, employee or other person, as and when required.

The Board Committees comprise the following:

### **Audit Committee**

The key function of the Audit Committee is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, timely and accurate financial reporting and development of sound internal controls.

### **Nomination and Remuneration Committee (“NRC”)**

The NRC assists the Board in proposing new nominees for the Board and Board Committees, developing and establishing competitive remuneration policies and packages, assessing the Directors on an ongoing basis.

### **Risk Management Committee (“RMC”)**

The RMC assists the Board in overseeing the risk management process within the Group, leading the Group's strategic direction in the management of the Group's business risks, establishing and implementing a risk management framework and reviewing the effectiveness of the risk management framework.

## 9. DEALINGS IN SECURITIES

- 9.1 A Director must not deal in the securities of Bursa Malaysia as long as he is in possession of price-sensitive information relating to such listed securities<sup>1</sup>. “Price-sensitive information” means information that “on becoming generally available would or would tend to have a material effect on the price or value of securities” as referred to in Section 185 of the CMSA.
- 9.2 “Dealings”<sup>2</sup> includes any one or more of the following actions, whether undertaken as principal or as agent:
- (a) acquiring or disposing of securities or any interest in securities;
  - (b) subscribing for or underwriting securities;
  - (c) making or offering to make with any person, or inducing or attempting to induce any person to enter into or to offer to enter into -
    - (aa) any agreement for or with a view to acquiring or disposing of securities or any interest in securities;
    - (bb) any agreement for or with a view to subscribing for or underwriting securities; or
    - (cc) any agreement the purpose or avowed purpose of which is to secure a profit to any of the parties from the yield of securities or by reference to fluctuations in the values of securities; and
  - (d) granting, accepting, acquiring, disposing of, exercising or discharging an option (whether for the call or put or both) or any other right or obligation, present or future, conditional or unconditional, to acquire or dispose of securities or any interest in securities.

## 10. DIRECTORS’ TRAINING AND DEVELOPMENT

All newly appointed Directors must complete the Mandatory Accreditation Programme as required by the Bursa Malaysia Securities Berhad, and shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes to enable them to effectively discharge duties and sustain active participation in the Board deliberations.

The Board will assess the training needs of the Directors from time to time and will ensure Directors have access to continuing education programme.

New Directors will attend a familiarisation programme which is tailored to the needs of their appointment. This includes meeting key senior management to better understand the businesses and operations of the Group. This also serves as a platform to establish effective channel of communication and interaction with Management.

## 11. DIRECTORS’ REMUNERATION

The Company’s remuneration policy for Directors is designed to enable the Company to attract and retain experienced and knowledgeable individuals of the calibre needed to support the Company’s ambitious expansion plans in line with its overall objective of delivering long-term value to its shareholders.

The NRC recommends to the Board the remuneration package for the Executive Directors. The remuneration package for Executive Directors is structured on the basis of linking rewards to corporate and individual performance. Performance is measured against the results achieved by the Group and individual achievement against targets set at the beginning of each financial year.

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<sup>1</sup> Paragraph 14.04 of MMLR, Part V Subdivision 2 of the Capital Markets and Services Act, 2007 (“CMSA”).

<sup>2</sup> Paragraph 14.02(c) of MMLR.

For Non-Executive Directors, the fee payable is determined based on the experience, level of expertise, responsibilities undertaken and time demanded of the Non-Executive Directors concerned.

## **12. FINANCIAL REPORTING**

The Company aims to present a clear and understandable balanced assessment of the Group's financial position and prospects and annual financial statements and quarterly announcements to the shareholders, including other price sensitive public reports and reports submitted to regulators.

The Board will ensure that the financial statements are prepared in accordance with the Companies Act and the applicable approved accounting standards set out by the applicable approved accounting reporting standards so as to give a true and fair view of the state of affairs of the Group.

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

The Directors, collectively or individually, may seek independent professional advice and information in furtherance of their duties at the Company's expense, so as to ensure the Directors are able to make independent and informed decisions.

## **14. CODE OF CONDUCT AND ETHICS**

The Board established the Code of Conduct and Ethics ("the Code") to create a corporate culture within the Group to operate the businesses in an ethical manner and to uphold the highest standards of professionalism and exemplary corporate conduct. The Code sets out the principles and standards of business ethics and conduct of the Group.

The Board will review the Code regularly to ensure that it continues to remain relevant and appropriate. The Code is published on the Company's website at [www.sunsuria.com](http://www.sunsuria.com) for reference.

## **15. REVIEW OF THE BOARD CHARTER**

The Board Charter is periodically reviewed and updated to take into consideration the needs of the Company as well as any development in relevant rules, regulations and laws that may have an impact on the discharge of the Board's duties and responsibilities.

This Board Charter was revised and adopted by the Board on 29 November 2021<sup>3</sup>.

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<sup>3</sup> Revised upon taking into consideration the Malaysian Code on Corporate Governance updated by the Securities Commission of Malaysia on 28 April 2021.