



# **KUMPULAN PERANGSANG SELANGOR BERHAD**

(Registration No. 197501002218 / 23737-K)

## **BOARD CHARTER**

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# BOARD CHARTER



## Reference

### 1. INTRODUCTION

1.1 The Board of Directors ("**Board**") of Kumpulan Perangsang Selangor Berhad ("**KPS Berhad**" or "**Company**") regards best practices of corporate governance as vital to the long-term success and sustainability of the Company. Consequently, the Board Charter sets out the standard and principles governing each director's and together as a Board, duties and responsibilities, Board processes and protocols in accordance with the authority and duties conferred by the Constitution of the Company along with the provisions of the Companies Act 2016 ("**CA 2016**"), Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**MMLR**"), Guidelines on Conduct of Directors of Listed Issuers and Their Subsidiaries issued by Securities Commissions ("**SC**") ("**SC Guidelines**") and the principles set out in the Malaysian Code on Corporate Governance ("**MCCG**").

*Practice 2.1 of  
MCCG*

1.2 This Charter provides an overview of the following:

- a) The delineation of the duties, responsibilities and powers of the Chairman of Board and its directors and Managing Director/ Group Chief Executive Officer ("**MD/GCEO**") of the Company;
- b) Delegation of authority by the Board to individual directors and its committees in assisting the Board to execute its duties and responsibilities;
- c) Matters reserved for consideration and approval by the Board; and
- d) The Board's operating procedures and practices for Board effectiveness.

1.3 This Board Charter is available on KPS Berhad's website at: [www.kps.com.my](http://www.kps.com.my)

### 2. OBJECTIVES

2.1 This Board Charter serves as a guide to individual Board members and the Board as a whole regarding their duties and responsibilities. With this guide, the Board is expected to perform their duties with integrity, honesty and in a professional manner in the interest of the Company which include its shareholders and its broader stakeholders.

### 3. THE BOARD

#### 3.1 Role and Responsibilities

3.1.1 The business and affairs of the Company shall be managed by, or under the direction of the Board.

*Section  
211(1)(2) of  
CA 2016*

**Reference**

The Board shall have the powers necessary for managing and for directing and supervising the management of the business affairs of the Company subject to any modification, exception or limitation contained in the CA 2016 or in the Constitution of the Company.

- |       |   |   |
|-------|---|---|
| 3.1.2 | A director shall at all times exercise his powers for a proper purpose and in good faith in the best interest of the Company and shall act honestly and use reasonable care, skill and diligence in the discharge of the duties of his office and shall not make use of any information acquired by virtue of his position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company.   | <i>Sections 213(1)(2) &amp; 218 CA 2016 and Paragraphs 3.01, 3.03 &amp; 3.06 of SC Guidelines</i> |
| 3.1.3 | A director is required to among others: <ul style="list-style-type: none"><li>a) maintain a sound understanding of the business, and keep abreast of relevant developments to ensure he is able to discharge his duties and responsibilities effectively;</li><li>b) prepare for board meetings, contribute constructively to board discussions and decision-making, and conduct due inquiry before approving a matter;</li><li>c) ensure key transactions or critical decisions are deliberated and decided on by the board in a meeting; and</li><li>d) ensure his decisions and the basis for those decisions, including any dissenting views are made known and properly minuted.</li></ul> | <i>Paragraph 3.04 of SC Guidelines</i>  |
| 3.1.4 | A director shall at all times avoid conflicts of interest and shall as soon as practicable after the relevant facts have come to his/her knowledge, declare the nature of his/her interest at a meeting of the directors of the Company.<br><br>Every director shall give notice to the Company of such events and matters relating to him/her as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the CA 2016.  | <i>Section 221 of CA 2016</i>   |

**Reference**

- 3.1.5 The Board has the following key responsibilities:
- Practice 1.1 & Guidance 1.1 of MCCG*
- a) Provide the strategic direction and leadership for the Company including establishing the long-term goals, the vision, the mission and corporate values to promote a performance-based culture embedding good corporate governance principles and values within the Group which reinforces ethical, prudent and professional behaviour;
  - b) Review, set and monitor the key performance indices of key Management personnel using benchmarks such as returns and sustainability measures;
  - c) Review, challenge and deliberate Management's proposal with regards to the corporate strategic initiatives and business plan budget, corporate key initiatives ("**CKIs**"), for the Company and MD/GCEO, and oversee the implementation by Management;
  - d) Ensure that the strategic plan of the Company supports long-term value creation and includes economic, environment and social considerations underpinning sustainability;
  - e) Oversee the conduct of the Group's businesses to evaluate and assess Management performance whether the businesses are being properly managed in line with the strategic objectives of the Company;
  - f) Establish BC to assist the Board in the discharge of its duties and may delegate its power to the committee consisting of members of their body, as they think fit. Any committee so formed shall be at least three (3) in number and shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the directors;
  - g) Ensure that there is a sound framework for internal controls and risk management and sets the tone of a risk-based culture throughout the Company;

**Reference**

- h) Oversee the principal risks of the Group's businesses identified and assessed by Management in recognition that business decisions involve the taking of appropriate risks;
- i) Set the acceptable risk appetite within which the Board expects Management to operate, and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor key financial and non-financial risks;
- j) Oversee, review and approve investment policies and guidelines in line with the overall business direction of the Company;
- k) Ensure that the Company has in place the remuneration policies for Board and Senior Management of the Company which was approved by the Board on 26 February 2018 and subsequently revised on 7 June 2022 and 30 March 2018 and revised on 29 March 2022, respectively. The Policies take into account the demands, complexities and performance of the Company as well as skills and experience required. The Policies and procedures are periodically reviewed and made available on the Company's website;
- l) Approve the assessment criteria and processes for the nomination of new directors and the re-election of existing directors;
- m) Approve the assessment criteria and processes for appointment and renewal of contract of MD/GCEO;
- n) Ensure that MD/GCEO has the necessary skill and experience and there are in place succession planning for Board and Senior Management;
- o) Approve the appointment, resignation or removal of Company Secretary of KPS Berhad;
- p) Ensure that the Company has in place procedures to enable effective communication with stakeholders;

*Practice 7.1 of  
MCCG*

**Reference**

- q) Review the adequacy and integrity of the Group's internal control systems and management information systems, including systems for regulatory compliance;
  - r) Ensure the integrity of the Company's financial and non-financial reporting;
  - s) Review and approve the Financial Statements prepared by Management encompassing annual audited accounts and quarterly reports, dividend policy, credit facilities from financial institutions and guarantees;
  - t) Review and approve the BAC Report, Risk Management and Internal Control Statement, Corporate Governance ("**CG**") Report, CG Overview Statement and Sustainability Statement for the Annual Report; *Practice Note 9 & Paragraph 2.3 of MMLR*
  - u) Review and recommend the appointment of external auditors for shareholders' approval and fix the related audit fees;
  - v) To fill casual vacancy in the office of the auditors until approval by shareholders; *Section 271(2)(b) of CA 2016*
  - w) Carry out or perform such other functions necessary for the discharge of its fiduciary duties under the relevant laws, rules and regulations.
- 3.1.6 The Board will provide an overview of the application of the Principles of corporate governance set out in the MCCG and disclose the application of each practice during the financial year, to Bursa Securities. *Paragraph 15.25 of MMLR*
- 3.1.7 The director, by virtue of the Company's admission to the Official List, bound by the MMLR, the Rules of the Bursa Securities and the Rules of the Depository must: *Paragraph 2.04(2) of MMLR*
- a) comply with the requirements so long as KPS Berhad or its securities remain listed on the Official List of Bursa Malaysia. This applies even during periods when the listed issuer's securities are suspended from trading; and

**Reference**

- b) comply and give effect to any decision made, conditions imposed, and instruction or directive issued, by the Bursa Securities, within the time stipulated by the Bursa Securities.
- 3.1.8 Every director has the right to the resources, whenever necessary and reasonable for the performance of his duties, at the cost of the Company and in accordance with a procedure to be determined by the Board in ensuring the effective functioning of the Board, including but not limited to:
- Paragraph 15.04 of MMLR*
- a) obtaining full and unrestricted access to any information pertaining to KPS Berhad;
- b) obtaining full and unrestricted access to the advice and services of the Company Secretary; and
- c) obtaining independent professional or other advice.
- 3.1.9 The directors may also interact directly with, or request further explanation, information or updates, on any aspect of the Company's operations or business concerns from the Management.
- 3.1.10 The directors must cause to be kept the accounting records and other records to:
- Paragraph 4.01 of SC Guidelines*
- a) sufficiently explain the business, transactions and financial position of the listed corporation and its subsidiaries;
- b) enable the preparation of true and fair financial statements ("**FS**"); and
- c) enable the accounting and other records of the listed corporation and its subsidiaries to be conveniently and properly audited.
- 3.1.11 The directors are obliged to produce any of the accounting and other records referred to in Paragraph 3.1.10 above are kept outside Malaysia and how those records are to be kept in Malaysia, upon directed by SC.
- Paragraph 4.05 of SC Guidelines*



**Reference**

- 3.1.12 The directors are ultimately responsible in ensuring that the company has exercised its powers under subsections 60C(1), (2) and (3) of the of the CA (Amendment) 2024 in obtaining the beneficial ownership ("BO") information from its members or any persons who is believed to be a beneficial owner.
- After the beneficial owners are identified and received, the directors must ensure the following:
- a) the BO information must be recorded in the register of beneficial owners pursuant to subsection 60C(4) of CA 2016 and the register of beneficial owners shall be kept at the 6 registered office pursuant to the requirement under subsection 60B(2) of the CA 2016;
  - b) the BO information in the register of beneficial owners is accurate at all times; and
  - c) the company exercises its powers when there are reasonable grounds of changes to the beneficial ownership information stated in the register of beneficial owners pursuant to subsection 60C(5) of the CA 2016, and when there are any incorrect particulars of the beneficial owners stated in the register of beneficial owners pursuant to subsection 60C(6) of the 2016
- Paragraph 17(a) of Guidelines for the Reporting Framework for Beneficial Ownership of Companies by Registrar of Companies - Companies Commission of Malaysia dated 1 April 2024*

**3.2 Composition, Board Balance and Diversity**

- 3.2.1 The Board shall comprise not less than two (2) and not more than eleven (11) directors.
- 3.2.2 At least half of the Board comprises independent directors at any one time.
- 3.2.3 In the event of any vacancy in the Board of Directors, resulting in non-compliance with Paragraph 3.2.2 above, the Company must fill the vacancy within three (3) months.
- 3.2.4 Profiles of Board members are included in the Annual Report of the Company and/or disclosed on its website.
- Clause 75 of KPS Berhad Constitution*
- Practice 5.2 of MCCG*
- Paragraph 15.02(3) MMLR*
- Paragraph 9.25(1) of MMLR*

## **Reference**

- 3.2.5 The Board shall review the size and composition of the Board and Board Committees, which include the skill sets, experience and functional knowledge of its members on a periodic basis, to ensure an appropriate balance of skills, experience and diversity. *Practice 5.5 of MCCG*

### **Diversity**

- 3.2.6 In its criteria for assessing the new Board appointments and the re-election of its existing Board members, the Board is mindful of the diversity factors such as skills, qualifications, age, ethnicity and gender mix to strengthen the Board composition that meets the objectives and strategic goals of the Company. *Practice 5.5 of MCCG*

- 3.2.7 The Board had on 28 April 2015 established the Board Diversity Policy which was subsequently revised on 30 May 2019 and 26 August 2022, which covers skills, expertise and experience, gender, age, ethnicity and independence. To inculcate Boardroom Diversity, the Board is expected to monitor its implementation in maintaining the competitive edge. *Practice 5.10 of MCCG*

The Board endeavours to achieve at least 30% gender balance throughout the Company.

### **3.3 Independence**

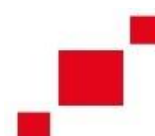
- 3.3.1 An independent director shall, upon his appointment, give to Bursa Malaysia a letter of confirmation that he is an independent director as defined under Paragraph 1.01 of the MMLR of Bursa Securities. *Practice Note 13 and Paragraph 1.1 of MMLR*

- 3.3.2 An independent director means a director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company. *Practice Note 13 and Paragraph 1.1 of MMLR*

- 3.3.3 The Company has in place an Independent Director Tenure Policy ("**IDT Policy**") which stipulates that the tenure of an independent director should not exceed a cumulative term of nine (9) years without further extension. *Step Up Practice 5.4 of MCCG*

### **3.4 Board Committees**

The Board has established the following BCs with specific terms of reference:



**Reference**

- BAC
- NRC
- BGRC
- BIRC
- Sustainability Board Committee

**3.4.1 BAC**

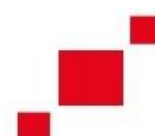
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|---------|--|--|
| 3.4.1.1 | The BAC comprises at least three (3) members, a majority of whom are independent directors.  | <i>Paragraph 15.09(1) of MMLR</i>                    |
| 3.4.1.2 | No alternate director can be appointed as a member of the BAC.   | <i>Paragraph 15.09(1) of MMLR</i>                    |
| 3.4.1.3 | The Chairman of the BAC shall be an independent director who shall be appointed by the Board and is not a Chairman of the Board.                 | <i>Paragraph 15.10 MMLR and Practice 9.1 of MCCG</i> |
|         | The Chairman of the BAC is responsible for ensuring the overall effectiveness and independence of the BAC.                                       | <i>Guidance 9.1 of MCCG</i>                          |
|         | The Chairman of the BAC together with other members of the BAC should ensure among others that:  |  |
|         | a) the BAC is fully informed about significant matters related to the Company's audit and its financial statements and addresses these matters;  |  |
|         | b) the BAC appropriately communicates its insights, views and concerns about relevant transactions and events to internal and external auditors; |  |
|         | c) BAC's concerns on matters that may have an effect on the financial or audit of the Company are communicated to the external auditor; and      |  |
|         | d) there is co-ordination between internal and external auditors.  |  |
| 3.4.1.4 | At least one member of the BAC:  | <i>Paragraph 15.09(1)(c) of MMLR</i>                 |
|         | a) must be a member of the Malaysian Institute of Accountants (" <b>MIA</b> "); or   |  |

**Reference**

- b) if he is not a member of the MIA, he must have at least 3 years' working experience and:
- he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
  - he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
  - fulfils such other requirements as prescribed or approved by the Bursa Securities.
- 3.4.1.5 Any former key audit partner must have observed a cooling off period of at least three (3) years before being eligible for appointment as a BAC member. *Practice 9.2 of MCCG*
- 3.4.1.6 All BAC members should be financially literate and are able to understand matters under the purview of the BAC including the financial reporting process. All members of the BAC should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. *Practice 9.5 of MCCG*
- 3.4.1.7 The BAC has a written TOR which deal with its authority and duties and such information is made available on the KPS Berhad's website. *Paragraph 15.11 of MMLR*
- 3.4.1.8 The BAC meets on a quarterly basis to carry out its functions. The BAC is also responsible for recommending the person or persons to be nominated to act as the external Auditor and the remuneration and terms of engagement of the external Auditor. *Paragraph 15.12 of MMLR*
- 3.4.1.9 The MD/GCEO, Deputy Chief Executive Officer Finance and Corporate Services, Head of Internal Audit, Chief Financial Officer and any other relevant Senior Management may attend the meetings only at the invitation of the BAC. *Paragraph 15.13 of MMLR*
- 3.4.1.10 The NRC is responsible to review the term of office, performance of the BAC and assessment of BAC members financial literacy annually to determine whether such BAC and members have carried out their duties in accordance with their TOR. *Paragraph 15.20 of MMLR*

**Reference**

3.4.1.11	The BAC has in place the policies and procedures to assess the suitability, objectivity and independence of the external auditor which was approved by the Board on 29 March 2017.	<i>Practice 9.3 of MCCG</i>
3.4.1.12	The BAC to obtain written assurance from the external Auditor confirming their independence throughout the conduct of the audit engagement in accordance with the terms of all the relevant professional and regulatory requirements.	<i>Guidance 9.3 of MCCG</i>
<b>3.4.2</b>	<b>NRC</b>	
3.4.2.1	The NRC comprises exclusively of non-executive directors (" <b>NED</b> "), a majority of whom must be independent directors.	<i>Paragraph 15.08A of MMLR</i>
3.4.2.2	The Chairman of the NRC shall be either an independent director or Senior Independent Director (" <b>SID</b> ") who shall be appointed by the Board.	<i>Practice 5.8 of MCCG</i>
	As Chairman of the NRC, the independent director shall:	<i>Guidance 5.8 of MCCG</i>
	a) lead the succession planning and appointment of Board members, oversee the development of a diverse pipeline for Board and Management succession, including the future Chairman and MD/GCEO; and	
	b) lead the annual review of Board effectiveness, ensuring that the performance of each individual director and Chairman of the Board are independently assessed.	
3.4.2.3	The NRC is required to provide in the Company's Annual Report, a statement on the activities of the NRC in the discharge of its duties for the financial year. Such statement must include how the requirements set out in paragraph 2.20A (Qualification of directors and other key officers) of MMLR are met and contain the following information:	<i>Paragraph 15.08A(3) of MMLR</i>
	a) the policy on board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the Company;	



- b) the board nomination and election process of directors and criteria used by the NRC in the selection process; and
- c) the assessment undertaken by the NRC in respect of its Board, BCs and individual directors together with the criteria used for such assessment.

3.4.2.4 In addition to the above responsibilities, the NRC is also responsible for the following nomination matters:

- In identifying the mix of skills and experience and other qualities the Board requires for it to function completely and efficiently;
- In identifying, assessing and recommending to the Board of KPS Berhad, the NEDs/external experts as board representative to sit in the board of subsidiaries and/or associate companies;
- In reviewing and recommending to the Board of KPS Berhad, the executive appointments of the MD/GCEO of KPS Berhad;
- In identifying, reviewing and recommending to the board of subsidiary companies the prospective independent non-interested candidate(s) with experience and/or relevant expertise; and
- In reviewing and assessing the prospective candidates for Head of Subsidiary ("**HOS**") position as proposed by Management of KPS Berhad and recommending the appointment of HOS for subsidiaries' Board approval.

3.4.2.5 In relation to remuneration matters, the NRC is responsible for the following:

- To formulate or review the remuneration for the members of the Board, BCs, board representatives on the functional board of the subsidiaries and/or associate companies.
- To review, appraise and make recommendations to the Board on the MD/GCEO of KPS Berhad remuneration, salary increment, performance bonus and compensation.



**Reference**

- To appraise and recommend suitable short and long-term policies and performance-related incentive schemes for the Company.
- To review and recommend to the Board on the staff annual salary increment pool, performance bonus pool in respect of each financial year.
- To review and recommend any major changes in remuneration policy and employees' benefits structure throughout the Company in line with market practice.

3.4.2.6 The NRC has a written TOR which stipulates details of its duties and responsibilities and such information is made available on the KPS Berhad's website.

*Paragraph  
15.08A(2) of  
MMLR*

**3.4.3 BGRC**

3.4.3.1 The Board has established a BGRC, which comprises a majority of independent directors, to oversee the Company's risk management framework and policies and ensure effective management of regulatory compliance throughout KPS Berhad Group's and to provide oversight and advice to the Board in respect of the compliance with the applicable laws and regulations.

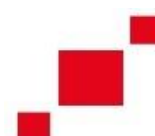
*Step-up  
Practice 10.3  
of MCCG*

3.4.3.2 Amongst the responsibilities of the BGRC as stipulated in its TOR are as follows:

Risk Management matters:

- Oversight of the establishment and implementation of an Enterprise Risk Management ("**ERM**") framework.
- Articulating and providing direction on risk appetite, tolerance, organisational control environment and risk culture at KPS Berhad Group.
- Oversee and advise the Board on the current risk exposures of KPS Berhad Group.
- Reviewing and recommending risk management strategies and policies for the Board's approval.

Leading KPS Berhad Group's strategic direction in the management of material business risks.



- Ensuring infrastructure, resources and systems are in place for Risk Management Department, i.e. ensuring that the staff responsible for implementing risk management systems perform those duties independent of the business risk taking activities of the Company.

Compliance matters:

- Review reports from the Head of Legal and Compliance Department ("**HLCD**"), highlighting any material regulatory issues or concerns and mitigation strategies for the attention of the Board.
- Review the adequacy of the scope and plan, functions and resources of the compliance function, and that it has the necessary authority to carry out its work and is free from constraints and other restrictions.
- Review periodic evaluation or report on the effectiveness of KPS Berhad Group's compliance function.
- Conducting assessment of material compliance risks, mitigation strategies to address them and ongoing monitoring.
- Review finding, material issues or non-compliances highlighted by the HLCD in relation to the regulated businesses of the KPS Berhad Group.
- Perform any other roles and responsibilities as may be required by the Board from time to time and/or which are related to the objectives of the Committee.

3.4.3.3 The BGRC has a written TOR which stipulates details of its duties and responsibilities and such information is made available on the KPS Berhad's website.

#### **3.4.4 BIRC**

3.4.4.1 The Board has established BIRC to assist the Board in evaluating the Company and Group's investment (which includes projects) and divestment opportunities and monitoring the existing investments made by the Company.



BIRC shall evaluate all investment and divestment proposals received or initiated by the Company, after it has been evaluated by the Management Investment Evaluation Committee ("**IEC**"). The IEC after careful study, will make its recommendation to the BIRC for their further evaluation and decision.

3.4.4.2 The members shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three (3) members.

3.4.4.3 Amongst the main responsibilities of the BIRC are as follows:

- To evaluate investment and divestment proposals for the Group.
- To approve the commencement of due diligence for new investments.
- To approve the commencement of final negotiations upon successful outcome of due diligence.
- To consider and recommend proposals for investment and divestment to the Board.
- To evaluate investment and divestment criteria, policies, guidelines and procedures for approval by the Board.
- To monitor new investments and divestments in the interim period and report back to the Board on the progress until the signing of a definitive agreement.
- To see that appropriate action is taken to assure compliance and to correct non-compliance, with the Company's procedures, policies and practices relating to its investment and divestment.

3.4.4.4 The BIRC has a written TOR which stipulates details of its duties and responsibilities.



### **3.5 Separation of Function between Chairman and MD/GCEO**

The roles of the Chairman and MD/GCEO of KPS Berhad are distinct. The distinct and separation roles of the Chairman and MD/GCEO promotes accountability, facilitates division of responsibilities and ensure a balance of power and authority, such that no one individual has unfettered powers of decision making.

*Practice 1.3  
and Guidance  
1.3 of MCCG*

The responsibilities of Chairman include leading the Board in its collective oversight of Management, while the MD/GCEO focuses on the business day-to-day management of the Company.

#### **3.5.1 Role of Chairman**

3.5.1.1 The Chairman of the Board is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board.

*Practice 1.2 of  
MCCG*

3.5.1.2 The Chairman leads the Board with a keen focus on governance and compliance. His key responsibilities include, inter alia:

*Guidance 1.2  
of MCCG*

- a) to provide leadership to the Board so that the Board can perform its responsibilities effectively;
- b) to lead the Board in the adoption and implementation of good corporate governance practices in the Company;
- c) to set the Board agenda and ensure the Board members receive complete and accurate information in a timely manner;
- d) to lead in discussions at meetings and ensure efficient and effective conduct of the Board meetings;
- e) to encourage active participation and allowing dissenting views to be freely expressed;
- f) to promote constructive and respectful relations between Board members and manage the interface between the Board and Management;
- g) to ensure appropriate steps are taken to provide effective communication with the stakeholders and their views are communicated to the Board;
- h) to commit time necessary to discharge effectively his role as Chairman.



**Reference**

- 3.5.1.3 The Chairman ensures that every Board resolution is out to vote to ensure the will of the majority prevails.
- 3.5.1.4 The Chairman will have no casting vote if two (2) directors form a quorum, or if there are only two (2) directors competent to vote on the question at issue. *Paragraph 7.32 of MMLR*
- 3.5.1.5 The Chairman should not be a member of the BAC and NRC to ensure there is check and balance as well as objective review by the Board. *Practice 1.4 and Guidance 1.4 of MCCG*
- 3.5.2 Role of MD/GCEO**
- 3.5.2.1 The MD/GCEO is the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions.
- 3.5.2.2 The MD/GCEO has the executive responsibility for the day-to-day operation of the Company's business with authority as delegated by the Board. The primary tasks include the following:
- strategy development and initiatives.
  - business development.
  - monitoring and tracking performances of the business.
  - risk management and development of internal processes.
  - human resource development and promoting a culture based on the Company's vision and values
  - stakeholder communication, engagement and management.
- 3.5.2.3 The MD/GCEO implements the policies, strategies and decisions adopted by the Board with due care and integrity.
- 3.5.2.4 The Board authorities conferred on the Management is delegated through the MD/GCEO and this will be considered as the MD/GCEO's authority and accountability. The MD/GCEO is supported by a management team established under the Organisational Management Structure approved by the Board on 28 February 2017.

### **3.6 SID**

- 3.6.1 The Board may appoint a SID to act as an additional safeguard and to serve as a fallback point of contact for investors and shareholders when the normal channel of communication is inappropriate or inadequate.
- 3.6.2 Where the Board appoints a SID, the role of SID shall include the following:
- a) Serve as a designated contact for consultation and direct communication with shareholders on areas that cannot be resolved through normal channels of contact with the Chairman or MD/GCEO;
  - b) Serve as the principal conduit between the independent directors and the Chairman as and when necessary;
  - c) Serve as the principle director for the purpose of whistleblowing by stakeholders. The policies and procedures as are prescribed under the Whistleblowing Policy and Procedures of KPS Berhad;
  - d) Consult and advice the Chairman as and when necessary regarding Board meeting schedules to ensure independent directors can perform their duties effectively with sufficient time for discussion of all agenda items.

*Guidance 2.1  
of MCCG*

### **3.7 Roles & Responsibilities of BR from Holding Board**

- 3.7.1 In general, a director who is appointed by virtue of his position as a BR/Nominee of a shareholder, must act in the best interest of the corporation (Investee Company or "IC") in which he sits as a board member. In the event of any conflict between his/her duty to act in the best interest of the corporation (IC) and his duty to his nominator, he must not subordinate his duty to act in the best interest of the corporation (IC) to his nominator.
- 3.7.2 Notwithstanding the above, the BR/Nominee is responsible on the following:
- a) to ensure that the proposed Business Plan and Budget of the IC are aligned to KPS Berhad's Strategic Initiatives, Business Plan & Budget;

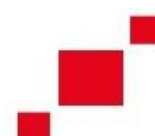
*Section 217 of  
CA2016 and  
Paragraph  
3.02 of SC  
Guidelines*

## **Reference**

- b) to provide constructive strategic opinion on the proposed CKI/KPI related to the IC, which formed part of KPS Berhad Group CKI/KPI;
- c) to ensure KPS Berhad Group-wide policies, framework, guidelines, and initiatives are being cascaded to the IC;
- d) to ensure that there is an effective compliance framework in the IC through the establishment of relevant policies, guidelines, framework, and periodic reporting on the compliance status;
- e) to ensure that there is a sound framework for internal controls and risk management in the IC and review/monitor it on regular basis to ensure its adequacy and integrity;
- f) to ensure that all key strategic audit issues/findings highlighted by the Internal Audit or External Auditors from Holding Company are addressed by the IC and not recurring in the future;
- g) to oversee the financial reporting process and ensure the quality of financial reporting of the IC are in accordance with the applicable accounting standards or internal policies; and
- h) to escalate pertinent strategic issues of the IC to the Holding Board which requires immediate attention of the Holding Board.

### **3.8 Appointment**

- |       |  |  |
|-------|--|--|
| 3.8.1 | The Board shall have power from time to time to appoint any person to be a director to fill casual vacancy and or in addition to the existing directors subject to the total number of directors shall not exceed the maximum number fixed in clause 75(1) of the Constitution which is eleven (11).   | <i>Clause 77 of KPS Berhad Constitution</i>                  |
| 3.8.2 | The NRC is responsible for reviewing the Board's composition, identifying, and recommending suitable candidates/director for the appointment/re-election of director. The right candidate/director shall be evaluated based on merit, fulfill the requirements of Fit & Proper Criteria set out in the Fit and Proper Policy of the Company and objective criteria developed by the NRC, in a formal and transparent procedure as follows: | <i>Practice 5.1 and 5.5 of MCGG Paragraph 15.01A of MMLR</i> |



**Reference**

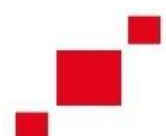
- a) skills, knowledge, expertise & experience, age, cultural background and gender;
- b) professionalism;
- c) diversity;
- d) integrity; and
- e) in the case of candidates for the position of independent non-executive directors, the NRC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors.

Under this procedure, the NRC proposes and recommend nominees for appointment/re-election to the Board, for Board's approval.

- |       |   |                                |
|-------|---|--------------------------------|
| 3.8.3 | In identifying candidates for appointment of directors, the Board does not solely rely on recommendations from existing Board members, Management or major shareholders. The Board will also seek independent professional search firms to source for the candidate when necessary. | <i>Practice 5.6 of MCCG</i>    |
| 3.8.4 | The directorships held by any Board member at any one time shall not exceed five (5) directorships in listed issuers.   | <i>Paragraph 15.06 of MMLR</i> |

**3.9 Re-election/Re-appointment**

- |       |  |  |
|-------|--|--|
| 3.9.1 | Any director so appointed shall hold office only until the next AGM and shall then be eligible for re-election by shareholders but shall not be taken into account in determining the number of directors who are to retire by rotation at such meeting.   | <i>Clause 78 of KPS Berhad Constitution</i>                                |
| 3.9.2 | At the AGM, one third (1/3) of the directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3), shall retire from office at the conclusion of the AGM.<br><br>All directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. | <i>Clause 76(3) of KPS Berhad Constitution/<br/>Paragraph 7.26 of MMLR</i> |
| 3.9.3 | The directors to retire in every year shall be those who have been the longest in office since their last election or appointment, but as between directors who became directors on the same day, the directors to retire shall be determined by lot unless they otherwise agreed among themselves.  | <i>Clause 76(4) of KPS Berhad Constitution</i>                             |



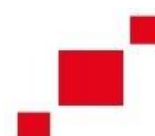
**Reference**

- |       |  |                                     |
|-------|--|-------------------------------------|
| 3.9.4 | The annual re-election of directors should be contingent on satisfactory evaluation of the directors' performance and contribution to the board. | <i>Practice 5.1 of MCCG</i>         |
| 3.9.5 | KPS Berhad has adopted a nine (9) years policy for independent directors taking into account the need for progressive refreshing of the Board.   | <i>Step Up Practice 5.4 of MCCG</i> |

Whilst an independent director may continue to serve on the Board, upon completion of a cumulative term of nine (9) years, he is subject to re-designation as a non-independent director upon rigorous review by the NRC and recommendation to the Board to retain and designate the affected director(s) as non-independent director.

**3.10 Disqualification or Vacation of Office**

- |        |   |                                   |
|--------|---|-----------------------------------|
| 3.10.1 | The office of a director shall become vacant if the director:   |                                   |
|        | a) resigns his office by notice in writing to the Company and deposited at the registered office of KPS Berhad;   | <i>Section 208(1) of CA 2016</i>  |
|        | b) has retired in accordance with CA 2016 or the Constitution of the Company but is not re-elected;   |                                   |
|        | c) is removed from his office as director by ordinary resolution of the Company in a meeting of shareholders of which special notice has been given in accordance with Section 206(3) of the CA 2016. |                                   |
|        | d) becomes disqualified from being a director under Sections 198 or 199 of the CA 2016;   |                                   |
|        | e) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;   |                                   |
|        | f) dies;  |                                   |
|        | g) is absent from more than 50% of the total board of directors' meetings held during a financial year;   | <i>Paragraph 15.05(3) of MMLR</i> |
|        | h) is convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences set out in Paragraph 15.05(1)(a)(b) or (c) of the MMLR of Bursa Securities; and                  | <i>Paragraph 15.05(3) of MMLR</i> |



**Reference**

- i) ceases to be or is prohibited from being a director by virtue of the CA 2016 or the Securities Laws or the MMLR of Bursa Securities.

3.10.2 In addition to the above, the SC may remove where it appears to the SC that by reason of any MD/GCEO or director of KPS Berhad:

- a) having been convicted of an offence under a securities law;
- b) having had an action taken against him under Sections 199, 200, 210, 211, 354, 355 or 356 or subsection 201(5) or (6) or Section 360 of the CMSA; or

having been compounded for an offence under Section 373 of the CMSA, the MD/GCEO or the director is unfit, to be directly or indirectly concerned, or to take part, engage, in the Management of KPS Berhad, the SC may apply to the court to remove from office such MD/GCEO or director of KPS Berhad or bar such person from becoming a director or MD/GCEO of any public company for such period of time as may be determined by the Court.

*Section 318(3)  
of Capital  
Markets and  
Services Act  
2017  
("CMSA")*

**3.11 Supply of Information**

3.11.1 The Board will have access to all information pertaining to the Company in a timely manner in a form and manner appropriate for them to discharge their duties effectively.

3.11.2 The Management is responsible for providing the Board with the required information in an appropriate and timely manner. The Chairman, assisted by the Company Secretary, assesses the type of information required to be provided to the Board.

If the information provided by the Management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.

3.11.3 Full Board minutes of each Board meeting are kept by the Company Secretary and are available for inspection by any director during office hours.





#### **4. REMUNERATION OF DIRECTORS**

- 4.1 The Company's Directors Remuneration Policy was established in February 2018 to enable the Company to attract and retain experienced and knowledgeable individuals of the caliber needed to support the Company's ambitious strategic plans in line with its overall objective of delivering long-term value to its shareholders.
- 4.2 The fees of the non-executive directors ("**NEDs**") and any benefits payable to the directors shall from time to time be determined by an Ordinary Resolution of the Company in general meeting and shall (unless such resolution otherwise provides) be divisible among the directors as they may agree. *Section 230 of CA 2016/  
Clause 93 of KPS Berhad Constitution*
- 4.3 The Board has established a formal and transparent process for approving the remuneration of the NEDs and the MD/GCEO of KPS Berhad, whereby the NRC is responsible for reviewing the remuneration policy and making recommendations on the same to the Board for approval. In its review, the NRC considers various factors including the NEDs' fiduciary duties, time commitments expected of them and the Company's performance.
- 4.4 No director other than the MD/GCEO of KPS Berhad shall have a service contract with the Company.
- 4.5 The Board may suggest improvement of one or more aspects of the remuneration packages as and when the need arises. The Board may seek professional advice from outside sources to assist the Board in formulating an attractive compensation and benefits package that aims to attract, retain and motivate existing and potential directors.
- 4.6 The remuneration of the Board is disclosed on a named basis during the financial year in the Corporate Governance Report. *Practice 8.1 of MCGG/  
Paragraph 9.25 & Appendix 9C(11) of MMLR*

#### **5. BOARD MEETINGS**

- 5.1 The Board may meet together for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Notwithstanding this, a director may at any time, and the Company Secretary shall on the requisition of a director to do so, convene a Board meeting by giving notice in accordance with Clause 111 of the Company's Constitution. *Clauses 109 and 110 of KPS Berhad Constitution*

**Reference**

The Board's annual meeting calendar is prepared and circulated to directors before the beginning of each year. It provides the scheduled dates for meetings of the Board and Board Committees, AGM and Board Retreat.

- 5.2 The directors may hold a Board Meeting at two (2) or more venues within or outside Malaysia using any technology that gives the directors as a whole a reasonable opportunity to participate.

*Clause 120 of  
KPS Berhad  
Constitution*

The technology to be used for the purpose of the above must be such that each director taking part in the meeting must be able to communicate simultaneously with each of the other directors taking part in the meeting and may include telephone, television, video conferencing, or any other audio and/or visual device which permits instantaneous communication.

A virtual meeting shall be deemed to constitute a Board Meeting and all the provisions of the Constitution as to Board Meetings shall apply to any virtual meeting provided the following conditions are met:

- a) All the directors for the time being entitled to receive notice of the Board Meeting (including any Alternate Director) shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as permitted by the Constitution; and
- b) A director may not leave a virtual meeting by disconnecting from the technology used unless he has previously expressly notified the chairperson of the meeting of his intention to leave the meeting and a director shall be conclusively presumed to have been present and to have formed part of the quorum at all times during such a meeting until such notified time of his leaving the meeting.

Besides the above, the directors shall ensure that:

- a) The Company Secretary is informed of the director's requirements at least three (3) working days before the meeting date;
- b) The director shall participate in the meeting from a confined room or space, with no access by or without the presence of any third party;



**Reference**

- c) The director shall ensure all deliberations or information being communicated during the telephone/video conferencing are treated with confidence, and he/she shall prevent any leakage of information/materials to any third party; and
- d) The director shall at all times take all necessary precautions to strictly maintain confidentiality of information.
- 5.3 The quorum for Board meeting shall be two (2) directors personally present at a meeting. *Clause 114 of KPS Berhad Constitution*
- If a quorum is not present within half an hour after the time appointed for a Board meeting, the Board meeting shall stand adjourned to another day and at another time and place as the directors may determine. *Clause 115 of KPS Berhad Constitution*
- 5.4 Questions arising at any meeting shall be determined by a majority votes of directors' present and voting. *Clauses 118 & 119 of KPS Berhad Constitution*
- In case of an equality of votes, the chairperson of the Board meeting is entitled to a second or casting vote, except where two (2) Directors form a quorum, the chairperson of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue shall not have a casting vote.
- 5.5 The agenda of each Board meeting is finalised by the Chairman.
- 5.6 The Board should have access to all information pertaining to the Company in a timely manner for the discharge of its duties effectively. The agenda and papers for meetings should be furnished to the directors at least five (5) business days prior to the meetings, to enable them to prepare for these meetings. At Board meetings, the Management presents the papers and consultants may be invited to provide further insight. *Practice & Guidance 1.6 of MCCG*
- 5.7 The Board members are invited to provide their feedback, either verbally or in written form on the adequacy of contents and quality of information presented by the Management in these Board papers, as well as presentation skills.
- 5.8 The Chairman encourages constructive, healthy debate, and directors are given the chance to freely express their views or share information with their peers in the course of deliberation as a participative Board.

**Reference**

5.9 Any director who has a direct or deemed interest in the subject matter to be deliberated abstains from deliberation and voting on the same during the meeting.

5.10 The minutes prepared by the Company Secretary memorialise the proceedings of all meetings, including the tabling of pertinent issues, the substance of inquiry and response, members' suggestions and the decisions made, including whether any director abstained from voting or deliberating on a particular matter, as well as the rationale behind those decisions.

*MCCG  
Practice and  
Guidance 1.5*

All directors should ensure that the minutes of meetings accurately reflect the deliberations and decisions of the board, including any dissenting views and abstention by any director from voting or deliberating on a particular matter.

**6. ABE**

6.1 The Board has entrusted the NRC with the responsibility for carrying out the ABE on the effectiveness of the Board as a whole, the Board Committees, directors' peer evaluation and independent directors' assessment. The evaluations exercise is facilitated by the Company Secretary upon making the necessary reference to the guides available and the good corporate governance compliance companies.

*Paragraph  
15.08(A) (3)(b)  
of MMLR and  
Practice 6.1 of  
MCCG*

6.2 The effectiveness of the Board is assessed in the areas of the Board's fundamental roles and responsibilities and Board Mix and Composition/Dynamic covering areas on Strategy, Policy, and Governance (financial, compliance, internal control & risk management and audit), Sustainability, Investor Relations (communication) from the strategic point of view. Besides that, the ABE also assessed the performance of unique positions in the Board namely the Chairman of the Board, Chairman of BCs and Board Representative who is a representative from Holding Board.

Whereas, the effectiveness of the BCs is assessed in terms of composition, competencies/experience background, responsibilities, provide useful recommendation in assisting the Board in decision making, appointment criteria, communication to the Board, as well as the effectiveness of the Chairman of the respective BCs.

As for assessment for individual directors, the areas of assessment are on the roles & responsibilities of each director from the perspective of strategic, governance and policy; individual contribution and performance and attributes and personality which comprise of thirteen performance attributes.

**Reference**

- 6.3 NRC has also reviewed the term of office and performance of the BAC and each of its members annually to determine whether such BAC and members have carried out their duties in accordance with their terms of reference. The criteria used in the assessment of the BAC are on the quality and composition, skills and competencies and meeting administration and conduct; and fulfilling its roles and responsibilities.

As for assessment for individual BAC members, the areas of assessment are on the interpersonal qualities, experience, participation in ongoing education, analytical thinking, understanding of risks, understanding of Company's compliances processes, understanding of financial and statutory reporting requirements, significant accounting policies, accounting estimates; financial reporting practices and overall financial literacy assessment.

- 6.4 Each director will be provided with his individual results of the ABE together with a peer average rating on each area of assessment for personal information and further development.

Any director whose score falls below the minimum acceptable rating based on performance criteria set, will be provided with development intervention programs to address capability needs aim at improving performance.

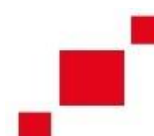
The results of these assessments also form part of the justification for the NRC's recommendations to the Board for the re-election of directors at the AGM.

- 6.5 The results of the evaluations and comments from the directors concerning the Board as a whole and general performance of the directors were also presented to the Board upon reviewed by the NRC.

**7. DIRECTORS' TRAINING AND DEVELOPMENT**

- 7.1 The directors must ensure that they attend training programmes as maybe prescribed by Bursa Securities from time to time or conducted by competent professionals and which are relevant to the Company's operations and business. Bursa Securities considers continuous training for directors as important to enable the directors to effectively discharge its duties.

*Paragraph  
15.08(1)(2) of  
MMLR*



**Reference**

- 7.2 The Company will, on an on-going basis, make available to the directors, at the Company's cost, in-house professionally conducted programs to ensure directors are acquainted with the latest development to equip themselves with the relevant knowledge and ideas to discharge their duties and sustain active participation during Board deliberations.
- 7.3 The Company also organises briefing and an induction programme for all newly appointed directors to familiarise him/her with KPS Berhad Group's business and governance process.
- 7.4 The directors are required to disclose the trainings they have attended during a financial year in the Company's Annual Report.

*Paragraph  
15.08(3) of  
MMLR*

**8. CONFLICT OF INTEREST AND TRANSACTIONS INVOLVING DIRECTORS**

- 8.1 Directors should avoid conflict of interest ("**COI**") as far as possible.
- 8.2 Directors are required to declare at all times the nature and extent of any COI, whether direct or indirect or whether actual or potential, with the Company or its subsidiaries, and if so required by the relevant Board/Board Committees, to recuse themselves from any deliberations and decision relating thereto.
- 8.3 Where a potential or actual conflict arises, every director shall adhere to the procedures provided by the relevant laws and relevant internal documents in particular, the Directors' Conflict of Interest Policy.

*Paragraph 4.0  
of Directors'  
Conflict of  
Interest Policy  
of KPS Berhad*

**9. CODE OF CONDUCT AND ETHICS FOR DIRECTORS**

- 9.1 The Board has established a Code of Conduct and Ethics for directors ("**Code**") to enhance the standard of corporate governance and corporate behaviour with the intention of achieving the following aims:
- a) To establish a standard of ethical behaviour for directors, based on shared values of the company; and
  - b) To uphold the spirit of good conduct in line with the universal standards of best practices for administering a company.



- 9.2 The Board has in place a separate Code of Conduct for the staff ("**Code for Staff**") which emphasises and advances the principles of discipline good business ethics, professionalism, loyalty, integrity and cohesiveness that are critical to the success and well-being of KPS Berhad Group. The Code for Staff is part of the KPS Berhad Group Scheme and Conditions of Service and is binding on all employees.
- 9.3 The Code is available on the Company's website at [www.kps.com.my](http://www.kps.com.my).

## **10. WHISTLEBLOWING POLICY & GUIDELINES**

- 10.1 KPS Berhad has in place the Whistleblowing Policy & Guidelines ("**Whistleblowing Policy**") on 25 August 2011 and was subsequently revised on 25 May 2018 and 25 February 2021. The Whistleblowing Policy was developed to enable any individuals to raise concerns regarding the Company and to achieve two (2) primary objectives as follows:
- a) To provide a safe and acceptable for staff or any other stakeholders to raise concerns so that it can be addressed in an independent and unbiased manner; and
- To provide an internal mechanism for the organisation to be notified about concerns at the workplace and further if required, take any action deemed appropriate.
- 10.2 The policy not only covers code of conduct but covers:
- a) Conduct which is an offence or a breach of law;
  - b) Conduct which is a breach of the Company's Rules and Regulations, Financial Regulations or other policies or standards which Companies applies;
  - c) Possible fraud and corruption;
  - d) Disclosure related to possible miscarriage of justice;
  - e) Health and safety issues which is in violation of the relevant laws and standards;
  - f) Sexual or physical abuse; and
  - g) Other unethical conduct.
- 10.3 The policy provides contact details of the Chief Integrity and Governance Officer via email: [integrity@kps.com.my](mailto:integrity@kps.com.my) or telephone: 03-55248448 or email to the Chairman of the BGRC at [chairmanbgrc@kps.com.my](mailto:chairmanbgrc@kps.com.my) as the avenue for stakeholders to raise the above concern.
- 10.4 The Whistleblowing Policy is available on the Company's website at [www.kps.com.my](http://www.kps.com.my).

**Reference**

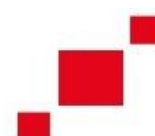
**11. COMPANY AUDITORS**

- 11.1 The Company has in place the policies and procedures to assess the suitability, objectivity and independence of the auditors. This annual assessment provides the BAC with a disciplined approach for maintaining effective oversight of the auditors' performance. *Practice 9.3 of MCCG*
- 11.2 The appointment of the Company auditors is subject to approval of shareholders at general meetings. The Company auditors have to retire during the AGM every year and be re-appointed by shareholders for the ensuing year. *Section 271 of CA 2016*

**12. INTERNAL CONTROLS AND RISK MANAGEMENT**

- 12.1 The Company has established an Enterprise Risk Management ("**ERM**") framework based on the ISO 31000:2018 International Standard of Risk Management - Principles and Guidelines, to proactively identify evaluate and manage key risks to an optimal level. In line with the Group's commitment to deliver sustainable value, this framework aims to provide an integrated and organised approach entity wide. *Practice 9.1 of MCCG*
- 12.2 The framework includes formalised reporting structure which comprise of establishment of the BGRC, chaired by an INED, which deliberates, recommends and reports on all ERM related matters to the Board of Directors of KPS Berhad. The BGRC is supported by the Risk and Governance Working Committee ("**RGWC**") which is chaired by the MD/GCEO. The committees meet on a quarterly basis.
- 12.3 The Board recognises the importance of sound internal controls and risk management practices for good corporate governance. The Board affirms its overall responsibility for the Group's system of internal controls and for reviewing its adequacy and integrity. Such a system covers not only financial controls but also controls relating to operational, risk management and compliance with applicable laws, regulations, rules, and guidelines. *Practice 10.2 of MCCG*

Management is responsible for the identification and continuous evaluation of significant risks applicable to their respective areas of business and to formulate suitable mitigation strategies. This process is reviewed by the Board which dedicates its time at periodic intervals throughout the year for discussion on this matter.

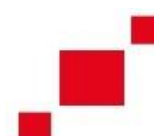




## **13. GENERAL MEETINGS**

### **13.1 AGM**

- 13.1.1 The Company regards general meetings or AGM are important platforms for directors and senior management to engage shareholders to facilitate greater understanding of the Company's business, governance and performance. This supports shareholders in exercising their ownership rights and expressing their views to the Board and Senior Management on any areas of concerns.
- 13.1.2 The Board should ensure that the notice for an AGM should be given to the shareholders at least 28 days prior to the meeting to enable the shareholders to participate, engage the Board and Senior Management effectively.  
The notice should provide further explanation beyond the minimum content stipulated in the listing requirements for the resolution proposed to enable shareholders to make an informed decision in exercising their voting rights. The notice should include details of the resolutions proposed along with any background information and reports or recommendations that are relevant.
- 13.1.3 All directors shall attend the general meetings. The Chair of the BAC, NRC, BGRC and other BCs provide meaningful responses to questions addressed to them.  
The presence of all directors will provide opportunity for shareholders to effectively engage each director. Having the chair of Board subcommittees present facilitates these conversations and allows shareholders to raise questions and concerns directly to those responsible.
- 13.1.4 The Board should take proactive measures to ensure greater participation by shareholders at general meetings. Hence, KPS Berhad has leveraged on technology to facilitate electronic voting ("**e-voting**") for the conduct of poll on all resolutions proposed at its AGM/EGM. Electronic voting devices are used to provide a more efficient, accurate outcome of the voting results, shorter turnaround time for declaration of results, reduce administration cost and making voting more accessible for the disabled and remove the need for physical ballots.
- Practice 13.1 of MCCG*
- Guidance 13.1 of MCCG*
- Practice 13.2 of MCCG*
- Guidance 13.2 of MCCG*
- Practice 13.3 & Guidance 13.3 of MCCG*



**Reference**

Nevertheless, should the meeting be held in a remote location, the Board will take the necessary measure to ensure that the shareholders are able to participate at general meetings by leveraging on technology to facilitate remote shareholders participation.

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|--------|--|--|
| 13.1.5 | The Chairman of the Board should ensure that general meetings support meaningful engagement between the Board, Senior Management and Shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response. | <i>Practice 13.4<br/>&amp; Guidance<br/>13.4 of MCCG</i> |
| 13.1.6 | The Board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the Board, Senior Management and Shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.                               | <i>Practice 13.5<br/>&amp; Guidance<br/>13.5 of MCCG</i> |

**13.2 EGM**

The directors will consider requisitions by shareholders to convene an EGM or any other urgent matters requiring the immediate attention of the Company.

**14. INVESTOR RELATIONS AND STAKEHOLDERS' COMMUNICATION**

- |      |  |                                  |
|------|--|----------------------------------|
| 14.1 | The Company recognises the importance of transparency and accountability in disclosures of the Group's business activities to its shareholders and investors. The Board has maintained effective communications policy and investor relations policy that enable both the Board and Management to communicate effectively with its Shareholders, investors and even the public vide the following: | <i>Practice 12.1<br/>of MCCG</i> |
|      | a) The Annual Report and relevant circulars dispatched to Shareholders and published in the Company's website;   |                                  |
|      | b) Issuance of various disclosures and announcements inclusive of the quarterly financial performance of the Group together with press release via Bursa LINK to Bursa Securities; and   |                                  |



**Reference**

- c) Engagement through investor relations.
- 14.2 The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.
- 14.3 The Company conducts dialogues with financial analysts from time to time as a means of effective communication that enable the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.
- 14.4 A press conference will normally be held after each general meeting. At this press conference, the Chairman and/or CEO will give a press release stating the Company's results, their prospects and outline any specific event for notation. *Bursa Malaysia Best Practices In Corporate Disclosures*
- 14.5 The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated from time to time. *Bursa Malaysia Best Practices In Corporate Disclosures*

**15. COMPANY SECRETARY**

- 15.1 The Board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices. *Practice 1.5 of MCCG*
- 15.2 The Company Secretary through the Chairman plays an important role in good governance by helping the Board and its BCs function effectively and in accordance with their terms of reference and best practices. *Guidance 1.5 of MCCG*
- 15.3 The roles and responsibilities of a Company Secretary include, but are not limited to the following: *Guidance 5.4 of MCCG*
- a) Manage all Board and Board Committees meeting logistics, attend and record minutes of all Board and Board Committees meetings and facilitate Board communications;
  - b) Advise the Board on its roles and responsibilities;
  - c) Facilitate the orientation of new Directors and assist in Director training and development;
  - d) Advise the Board on corporate disclosures and compliance with company and securities regulations and listing requirements;

**Reference**

- e) Manage processes pertaining to the annual shareholder meeting;
- f) Monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and
- g) Serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

15.3 Company Secretaries constantly keep themselves abreast of the regulatory changes and development in corporate governance through continuous training as required by professional bodies.

**16. REVIEW**

The Board will review this Board Charter periodically to keep it up to date and consistent with the Board's objectives and responsibilities as well as changes in the laws.

*Practice 2.1 of  
MCCG*

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<b>Document Version Control</b>		
<b>Document Version/Revision</b>	<b>Approved by</b>	<b>Effective Date</b>
Establishment	KPS Berhad Board of Directors' Meeting held on 29.11.2010	29.11.2010
Version 1	KPS Berhad Board of Directors' Meeting held on 26.02.2013	26.03.2013
Version 2	KPS Berhad Board of Directors' Meeting held on 29.11.2018	29.11.2018
Version 3	KPS Berhad Board of Directors' Meeting held on 28.11.2019	28.11.2019
Version 4	KPS Berhad Board of Directors' DCR dated 14.10.2020	14.10.2020
Version 5	KPS Berhad Board of Directors' Meeting held on 26.08.2022	26.08.2022
Version 6	KPS Berhad Board of Directors' Meeting held on 30.05.2024	30.05.2024