



TURIYA BERHAD

(Registration No. 198001001793 (55576-A))

BOARD CHARTER OF BOARD OF DIRECTOR (BOARD CHARTER)

(Revision effective date 10 July 2023)

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(Registration No. 198001001793 (55576-A))
(Incorporated in Malaysia)

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1. INTRODUCTION

- 1.1 The Board of Directors (the “Board”) of Turiya Berhad (“Turiya” or the “Company”) is responsible for overseeing the Company’s management and business affairs and makes all major policy decisions of the Company.
- 1.2 The Board Charter (the “Charter”) formalises the various roles and responsibilities of the Board, Board Committees and individual Director of the Company with the aim of streamlining and enhancing corporate governance practices towards transparency, accountability and integrity in boardroom activities.
- 1.3 The Charter serves as a structured guide, especially for new Directors who are on board and it should not be construed as an exhaustive blueprint for Directors of the Company.

2. INTERPRETATION

In this Charter:

- “Board” means the Board of Directors of the Company;
- “Board Committees” means committees established by the Board from time to time, including Audit Committee and Nominating Committee;
- “Bursa Malaysia” means Bursa Malaysia Securities Berhad;
- “Business” means the business of the Company and all its subsidiaries;
- “Chairman” means the Chairman of the Board and is used in a gender-neutral sense;
- “Company Secretary(ies)” means the Board secretary(ies) or the person(s) normally exercising the functions of a Board secretary;
- “Directors” means members of the Board;
- “Group” means the Company and all its subsidiaries;
- “Independent Director” is defined in accordance with Paragraph 1.01 of the Listing Requirements;
- “Listing Requirements” means the Main Market Listing Requirements of Bursa Malaysia;
- “Management” means the management personnel of the Group; and
- “Shareholders” means the shareholders of the Company.

3. BOARD PRINCIPAL RESPONSIBILITIES

- 3.1 The Board is collectively responsible for the proper stewardship of the Group’s business and the creation of long term shareholder value, whilst taking into account interests of other stakeholders.

3.2 In order to ensure effective discharge of the Board's functions, the Board will assume the following principal responsibilities:-

- (a) reviewing, adopting and monitoring the implementation of a strategic plan for the Company and its subsidiaries ("Group");
- (b) overseeing the conduct of the Group's business to evaluate whether the business is properly managed;
- (c) identifying principal risks and ensuring the implementation of appropriate controls and systems to monitor and manage these risks;
- (d) succession planning including appointing, training, fixing the remuneration and where appropriate, replacing senior management;
- (e) overseeing the development and implementation of a shareholders' communication policy for the Company to ensure effective communication with its shareholders and other stakeholders;
- (f) reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for ensuring compliance with applicable laws, regulations, rules, directives and guidelines; and
- (g) overseeing the Group's adherence to high standards of conduct/ ethics and corporate behavior as set out in Turiya Berhad Code of Ethics for Directors.

3.3 To ensure the direction and control of the Company are in the hands of the Board, a schedule of matters reserved for the Board's deliberation and decision (which may be varied from time to time as determined by the Board) is set out as below:-

- (a) Board structure
 - Appointment and recommendation for removal of Directors.
 - Appointment and removal of Company Secretary (ies).
 - Establishment of Board Committees, their members and the specific terms of reference.
- (b) Board remuneration
 - Recommendation of Directors' fees for Non-Executive Directors to be approved by shareholders.
 - Approval of remuneration packages, including service contracts, for Executive Directors.

(c) Company's operations

- Review and approval of Company strategic plan and annual budget (including capital expenditure budget).
- Approval of capital expenditure exceeding prescribed thresholds based on the formalised limits of authority.
- Approval of treasury policies and bank mandates of the Company.
- Approval of limits of authority for the Company.

(d) Financial

- Approval of audited and quarterly financial statements and their release (including financial reports for announcement to Bursa Malaysia Securities Berhad or the Securities Commission).
- Approval of interim dividends for payment and the recommendation of final dividend or other distribution for shareholders' approval.
- Review the effectiveness of the Group's system of risk management and internal controls via the Audit Committee.
- Opening or closing of bank accounts.

(e) Others

- Granting of power of attorney by the Company.
- Entering into any corporate guarantee and indemnity issued by the Company or the creation or issue of any debenture, mortgage, charge or other security or interest over its assets by the Company.
- Changes in group structure e.g. acquisition and disposal of subsidiaries, issuance of new share capital.
- New business activities in non-traditional areas within the objects of the Company
- Formation/dissolution of the subsidiaries of the Company

4. COMPOSITION OF THE BOARD

- 4.1 The Board shall be helmed by the Chairman and comprise of at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, who are independent directors;

- 4.2 If the number of directors of the Company is not 3 or a multiple of 3, then the number nearest 1/3 must be used.
- 4.3 In the event of any vacancy in the Board, resulting in non-compliance with subparagraph 4.1 above, the Board must ensure that the vacancy is filled within 3 months.
- 4.4 The Board must comprise a majority of independent directors.
- 4.5 The tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the nine years, an independent director may continue to serve the Board subject to the director's re-designation as a non-independent director. Subject to obtaining the approval of the Company's shareholders, the Board may recommend and provide strong justification in the event it retains an independent director who has served a cumulative term of nine (9) years as an independent director of the Company.
- 4.6 To enhance its effectiveness, the Board shall ensure its members have the relevant skills, experience, expertise and time commitment. Accordingly, the Nomination Committee is entrusted by the Board to appraise candidates for directorship, including those who retire and offer themselves for re-election or re-appointment, before recommending to the Board. The Board is mindful of the need for board diversity and, in this context, the Nominating Committee shall take into consideration gender diversity when recommending to the Board.
- 4.7 The Board shall advocate board diversity by identifying and creating the right balance of skills, regional and industry experience, background, race and gender of directors in order to optimise the performance of the Board as a whole with the assistance of the Nomination Committee.
- 4.8 Directors shall not sit on the boards of more than five (5) listed issuers and before accepting any new directorship, Directors shall notify the Chairman, the notification of which shall include an indication of time that will be spent on the new appointment.

5. DIRECTOR QUALIFICATION STANDARDS

- 5.1 Each Director must have the following qualifications:
- (a) Education and experience that provides knowledge of business, financial, governmental or legal matters that are relevant to the Company's business or to its status as a publicly owned company;
 - (b) An unblemished reputation for integrity;
 - (c) A reputation for exercising good business judgment; and

(d) Sufficient available time to be able to fulfill his or her responsibilities as a member of the Board and of any committees to which he or she may be appointed.

5.2 A majority of the Directors must be independent. The criteria for independence is as set out in the Listing Requirements of Bursa Malaysia.

5.3 The Board shall undertake an assessment of its independent directors annually.

6. DIRECTORS' RESPONSIBILITIES

6.1 The Directors will direct the management of the business and affairs of the Group.

6.2 Each Director will attend substantially all the meetings of the Board and substantially all the meetings of each committee on which the Director serves.

6.3 Each Director will review, before attending meetings of the Board or committees, all materials provided by the Company relating to matters to be considered at the meetings.

7. ROLE OF CHAIRMAN

7.1 The Chairman assumes a leadership role in the Board and represents the same to shareholders of the Company. The Chairman is primarily responsible, amongst others, for the following:

(a) presiding at Board and shareholder meetings and ensuring the proceedings thereof comply with good conduct and practices. The Chairman may delegate the task of chairing such meetings to any member of the Board;

(b) ensuring timely dissemination of notice of meeting and agenda to Directors, including relevant Board papers and information pertaining to issues scheduled for discussion and/or approval at meetings; and

(c) acting as facilitator at Board meetings and ensuring that no member, whether executive or otherwise, dominates discussion. The Chairman shall also encourage Board members to participate in discussions and that relevant opinions amongst members are forthcoming, resulting in logical and understandable outcomes.

8. ROLE OF EXECUTIVE DIRECTORS (“EDs”)

- 8.1 Executive Directors serve as a conduit between Management and the Board and are responsible for the effective implementation of the Company’s strategic plan and policies established by the Board, besides managing the daily operations of the Company.
- 8.2 Generally, the EDs are responsible to the Board for the following key functions:
- (a) achievement of Company’s goals and observance of Management authorities delegated by the Board; and
 - (b) developing long-term strategic and short-term business plans, designed to enable the Company’s requirements for growth, profitability and return on capital are achieved.

9. ROLE OF NON-EXECUTIVE DIRECTORS (“NEDs”)

- 9.1 The roles of NEDs largely encompass the monitoring of Company performance and contributing to the development of Company strategy, clarified as follows:
- (a) Strategy: Constructively challenge and contribute to the development of Company strategy; and
 - (b) Performance: Oversee the performance of Management in meeting agreed goals and objective and monitor the reporting performance.

10. DIVISION OF ROLES BETWEEN THE BOARD AND THE BOARD COMMITTEES AND BETWEEN THE BOARD AND MANAGEMENT

- 10.1 The Board shall establish Committees from time to time to assist the Board in the discharge of its duties and responsibilities. Each Committee has its own terms of reference in writing, specified by the Board, detailing its roles and responsibilities, structure and composition.
- 10.2 The Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their terms of reference. The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings and such reports or minutes will be included in the Board papers. Although the Board has granted discretionary authority to these Committees to deliberate and decide on certain operational matters as set out in their respective terms of reference, the ultimate responsibility for final decision on all matters lies with the Board.

10.3 A number Board Committees, with written terms of reference have been established, namely the following:

(a) Audit Committee

The terms of reference is set out in Turiya Berhad Audit Committee Charter (Terms of Reference).

(b) Nomination Committee

The terms of reference is set out in Turiya Berhad Nomination Committee Terms of Reference.

(c) Remuneration Committee

The terms of reference is set out in Turiya Berhad Remuneration Committee Terms of Reference.

(d) Investment Committee

The function of the Committee is to review and appraise investment proposals of the Group and assess their viability before recommending to the Board for approval.

(e) Risk Management Committee

The Committee is responsible for identifying and evaluating the principal risks through formalized strategies and appropriate risk management policies and procedures.

10.4 There must be clear division of the roles and responsibilities of the Board and Management to ensure that there is a balance of power and authority.

The responsibilities of Management include the following:-

(a) *Planning*: generating plans of action for immediate, short term, medium term and long term periods;

(b) *Organising*: 8rganizing the resources, particularly human resources, in the best possible manner. Assembling and coordinating financial, physical, information and other resources needed to achieve the Company goals;

(c) *Directing*: stimulate high performance by employees, communicating and coordinating with employees to lead and enthuse them to work effectively together to achieve the goals and targets of the Company;

- (d) *Controlling*: setting performance standards that indicate progress towards long-term goals of the Company. Evaluating the progress against the goals and targets of the Company and ensuring proper and timely execution of the same. Periodically review, evaluate and monitor performance.

11. THE BOARD'S RELATIONSHIP WITH SHAREHOLDERS AND STAKEHOLDERS

- 11.1 The Board shall maintain a communications policy that enables both the Board and Management to communicate effectively with the Company's shareholders, stakeholders and the general public.
- 11.2 The Board shall ensure that the General Meetings of the Company are conducted in an efficient manner to enhance shareholder communications.

12. BOARD PROCEDURES

- 12.1 Board Meetings shall be conducted at least on a quarterly basis. The Company Secretary (ies) shall prepare and distribute to all Directors in advance a timetable for the meetings for the year. The Company Secretary (ies) shall work together with the Chairman in developing the meeting agenda.
- 12.2 Directors are required to attend Board meetings. However, other senior officers may be invited to attend meetings for particular items within their responsibility. The Board may also invite external parties, such as the auditors, solicitors and consultants as and when the need arises.
- 12.3 The Executive Chairman, together with the Company Secretary (ies), shall assess the type of information needed to be supplied to the Board and the contents of the agenda. 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.
- 12.4 To allow sufficient time for Directors to consider the relevant information, Board papers and agenda items are to be circulated at least seven (7) days, or a shorter period where unavoidable, prior to the meeting. Where there is a need to table a report, a brief statement of findings and/ or recommendations is prepared.

13. ACCESS TO INFORMATION

All Directors shall have unrestricted access to Management and to information pertaining to the Company, including access to the Company auditors and consultants, relevant to the furtherance of their duties and responsibilities as Directors of the Company.

14. INDEPENDENT PROFESSIONAL ADVICE

In discharging the Directors' duties, each member of the Board is entitled to obtain independent professional advice at the cost of the Company. Where such advice is considered necessary for the discharge of his duties and responsibilities as Director and, for the benefit of the Company, such Director shall first discuss it with the Chairman and, having done so, shall be free to proceed, where appropriate.

15. DIRECTORS' TRAINING

Directors are required to undergo the mandatory accreditation programme under the auspices of Bursa Malaysia. In addition, Directors are required to attend relevant training courses/seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of Directors as well as technical matters, for example, financial reporting standards, tax budgets, etc. The Nominating Committee shall decide on the continuous education training programme for Directors.

16. DIRECTORS' CODE OF ETHICS

16.1 Directors of a Company shall at all times act in good faith and in the best interest of the Company. Directors shall adhere to the general principles of integrity, objectivity, accountability, openness, honesty and leadership.

16.2 The Directors shall observe the Directors' Code of Ethics, which includes the following:

- (a) Observe high standards of corporate governance, in particular the practices set out in the Malaysian Code on Corporate Governance, the Listing Requirements of Bursa Malaysia, the Companies Act and the Capital Markets and Services Act;
- (b) Not misuse information gained in the course of duties for personal gain or for any other purpose, nor seek the opportunity of the service as Directors to promote private interests or those of connected persons, firms, businesses or other organisations; and
- (c) Directors shall adhere to the regulatory requirements pertaining to trading in the Company's shares, including insider trading.

17. DIRECTORS' REMUNERATION

17.1 NEDs will be paid a fee for acting as Directors of the Company, subject to approval by shareholders, and meeting allowances for their attendances at meetings; and

17.2 The remuneration of EDs shall be decided by the Board with the individual Director concerned abstaining from discussing his individual remuneration. The amount of remuneration payable shall be determined with reference with the Group's performance.

18. ANNUAL PERFORMANCE EVALUATION OF THE BOARD, BOARD COMMITTEES AND INDIVIDUAL DIRECTORS

The Board, through the Nomination and Corporate Governance Committee, conducts an annual self-evaluation on its effectiveness as a whole, each individual Director and the different committees established by the Board.

19. REVIEW OF BOARD CHARTER

This Charter shall be periodically reviewed and may be amended by the Board as it deems appropriate.