

## BOARD OF DIRECTORS

### TERMS OF REFERENCE

#### 1.0 DEFINITIONS AND INTERPRETATION

1.1 In these Terms of Reference, where the context so admits the following expressions shall have the following meanings :-

“Act”	The Companies Act, 2016 and any other Act or Ordinance for the time being in force concerning companies and affecting the Company;
“Board”	The Board of Directors of Konsortium Transnasional Berhad
“Board of Committees”	Committees that have been or will be set up as authorised by the Board, with specific terms of reference and delegated authority;
“Company Secretary”	Company Secretary of Konsortium Transnasional Berhad;
“Company”	Konsortium Transnasional Berhad (617580-T);
“Independent Director”	A director as define in Chapter 1 of the Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”) Listing Requirements;
“Member”	A member of the Committee as appointed pursuant to this Terms of Reference.

## **2.0 INTRODUCTION : OBJECTIVES OF THE BOARD**

- 2.1 The objectives of the Board of Directors (“the Board”) are essentially to review, approve and contribute to the strategies and business plan of Konsortium Transnasional Berhad (“the Company”). The Board is also responsible for monitoring the management’s implementation of those strategies and plan.
- 2.2 The Board should also ensure that the Company complies with the applicable laws, regulations, rules and guidelines and maintains a high standard of conduct in its operations.
- 2.3 To be effective, the Board must have an adequate number of members with appropriate skills, competencies and experience who can bring an added value to the deliberation of the Board.

## **3.0 COMPOSITION OF THE BOARD**

- 3.1 Appointment of new directors to the Board shall be through a formal and transparent procedure.
- 3.2 The Board shall consist of a Chairman and suitable number of Executive as well as Non-Executive directors, including independent non-executive who shall lend an independent or broader view to the Company’s strategies, plan, performance and resources.
- 3.3 The roles of Chairman, Managing Director and Chief Executive Officer (“MD&CEO”) shall preferably not be combined. Where the roles of Chairman and MD&CEO are combined, there shall be a strong independent element on the Board.
- 3.4 At least two (2) of the directors or 1/3 of the Board of Directors, whichever is the higher, must be independent directors.
- 3.5 In the event of any vacancy in the Board, resulting in non-compliance with subparagraph 3.4 above, the Company must fill the vacancy within three (3) months.
- 3.6 No person can be appointed or allowed to act as a director of the Company or be involved whether directly or indirectly in the management of the Company, if he or she:-
- a) has been convicted by the court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation;
  - b) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence, involving fraud or dishonestly or where the conviction involved a finding that he or she acted fraudulently or dishonestly; or
  - c) has been convicted by a court of law of an offence under the securities laws or the Companies Act 1965,

within a period of five (5) years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.

- 3.7 A director of the Company must not hold more than five (5) directorship in listed companies.

#### **4 DUTIES AND RESPONSIBILITIES OF THE BOARD**

- 4.2 Reviews and adopts a strategic and business plan for the Company.
- 4.3 Oversees the conduct of the Company's business and evaluates whether the business is being properly managed.
- 4.4 Identifies principal risks and ensure the implementation of appropriate systems to manage these risks in order to achieve a proper balance between risk incurred and potential returns to shareholders.
- 4.5 Reviews the adequacy and the integrity of the Company's internal control systems including systems for compliance with the applicable laws, regulations, rules, directive and guidelines. The Board must ensure that there is a satisfactory reporting framework on internal financial controls and regulatory compliance.
- 4.6 Examines its own size and composition to determine the impact on the Board's effectiveness. The Board shall ensure that it has enough Directors to discharge its responsibilities and perform its functions.
- 4.7 Receives and seeks relevant information for the assessment of the performance of the Company.
- 4.8 Establishes the Company's Authority Limits which outline the materiality of any transaction entered into by the Company and determine its approving authorities.
- 4.9 Ensures that the Company's financial statements are true and fair, and comply with all applicable laws and governmental regulations applicable to the Company's business and its conduct.

#### **5 POWERS OF THE BOARD**

- 5.2 In carrying out their duties and responsibilities, the Directors whether as a full Board or in their individual capacities shall have the following rights;
- a) have full and unrestricted access to any information, records, documents and personnel of the Company and its subsidiaries.
  - b) be able to obtain independent professional or other advice at the Company's expense.
  - c) the Board shall be supplied in a timely manner with information in a form and of quality appropriate to enable it to discharge its duties.
- 5.3 All Directors shall have access to the advice and services of the Company Secretary.

5.4 Where the Board establishes a committee, it shall spell out the power of the committee and in particular whether the committee has the power to act on behalf of the Board or simply had the power to examine a particular issue and report back to the Board with a recommendation.

## **6 MEETING OF THE BOARD**

6.2 The Board shall meet at least four (4) times a year with due notice of issues to be discussed and shall record its conclusion in discharging its duties and responsibilities.

6.3 The office of a Director shall become vacant if the Director absents himself more than fifty percent (50%) of the total Board of Directors' meetings held during a financial year.

6.4 All Board of Directors' meetings shall be chaired by a Chairman of the Board and he or she has the discretion to call for additional meetings at any time. In the absence of the Chairman, the Directors present shall elect one (1) of their numbers to be the Chairman of the Meeting. The quorum for each meeting shall be two (2) Directors. In the absence of a meeting, the issues shall be resolved through circular resolutions.

6.5 The conduct of Directors shall be consistent with their duties and responsibilities specified in Clause 4.0 of this Terms of Reference.

6.6 At the Board of Directors' meeting, the Board may consider amongst other things:

- a) Financial performance report of Company;
- b) Reports on activities of the Company;
- c) Specific proposals for capital expenditure, acquisition and disposal of assets;
- d) Major issues and opportunities for the Company;
- e) Approve the annual budget and the following year's Business Plan;
- f) Approve the annual financial statements and quarterly results, circulars to shareholders and public announcements;
- g) Consider and if deemed appropriate, declare or recommend the payment of dividends;
- h) Review the Company's audit requirements;
- i) Review the internal control and risk management policies of the Company including compliance with the legal and regulatory requirements.

6.7 The Company Secretaries shall be in attendance at each Board of Directors' meeting and shall record the proceeding thereat.