



BOARD CHARTER

1. Purpose of the Board Charter

The Board Charter sets out the authority, responsibilities, membership and operation of the Board of United ULI Corporation Berhad, adopting principles of good corporate governance and practice, in accordance with applicable laws.

The objective of the Board Charter is to ensure that the members of the Board are aware of their roles, duties and responsibilities and the application of principles and practices of good corporate governance in their business conduct and dealings in respect of, and on behalf of the Company and the various laws and legislations governing them and the Company.

2. Board Structure

2.1 Roles and Responsibilities

The board assumes, amongst others, the following duties and responsibilities;

(a) Corporate

- Reviewing and approving the overall strategic plans and direction of the Company and Group;
- Evaluating, approving and monitoring the annual budgets and business plans;
- Overseeing and evaluating the conduct and performance of the Company and Group;
- Evaluating and approving the major capital expenditure, capital management and all major corporate transaction.

(b) Risk Management Framework and Internal Control System

- Identify principal risks of the Company and to ensure the implementation of appropriate internal control and implementation of a proper risk management system.

(c) Integrity of Financial Reporting

- Reviewing the adequacy and the integrity of the management information and internal controls system of the Company;
- Ensuring regulatory compliance with applicable laws, regulations, rules, directives and guidelines.

The following are matters which are specifically reserved for the Board;

- Approval of corporate plans and programmes;
- Approval of annual budgets, including capital commitments;
- Approval of new ventures;
- Approval of material acquisition and disposals of undertakings and properties;
- Change to the management and control structure within the company and its subsidiaries including key policies, delegated authority limits.

2.2 Board Composition and Balance

The Board shall consist of qualified individuals with diverse experience, background and perspective to enable them to discharge their duties and responsibilities effectively.

Pursuant the Articles of Association of the Company, the Board shall comprise not less than three (3) or more than thirteen (13) Directors. At least one-third of the Board shall comprise Independent Directors. The Board shall comply with Bursa Securities LR as may be amended from time to time in respect to the composition of

the Board. The composition of the Board shall reflect the level of investment in the Company by shareholders apart from the largest shareholders.

The Executive Directors together with Management team shall be responsible for making and implementing the operational decisions. The Non-Executive Directors play a key supporting role in contributing their skills, expertise and knowledge towards the formulation of the Group's strategic and corporate objectives, policies and decisions.

There is a separation of the role between the Company's Chairman and Group Managing Director to ensure a clear division of responsibilities and a balance of control, power and authority.

2.3 Board Tenure

Every newly appointed Director shall hold office only until the next following AGM subsequent to their appointment and shall then be eligible for re-election. Further, one third (1/3rd) of the Board shall retire from office and be eligible for re-election at every AGM and all Directors shall submit themselves for re-election at least once in three (3) years.

Pursuant to Section 129(2) of the Companies Act, 1965, Directors who are or over the age of seventy (70) years shall retire at every AGM and may offer themselves for reappointment to hold office until the conclusion of the next AGM.

The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board subject to the Director's re-designation as a Non Independent Director. In the event that the Director is to remain as an Independent Director, the Board shall first justify the Director's independency and obtain shareholders' approval.

2.4 Nomination and Appointment

The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination Committee.

The directorships held by any Board member shall not exceed five (5) listed companies pursuant to Bursa Securities LR.

2.5 Role of Chairman

The Chairman is responsible for the overall leadership and efficient operation of the Board. The key roles of Chairman, amongst others, are as follows:

- Leading the Board in setting the values and standards of the Company and the Group;
- Maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
- Ensuring the provision of accurate, timely and clear information to members of the Board;
- Ensuring the integrity and effectiveness of the governance process of the Board;
- Ensuring effective communication with shareholders and relevant stakeholders;
- Arranging regular evaluation of the performance of the Board its Committees and individual Directors; and
- Facilitating the effective contributions of all members of the Board.

The Chairman, in consultation with the Group Managing Director and the Company Secretaries sets the agenda for Board meetings and ensures that all relevant issues are on the agenda.

2.6 Role of the Group Managing Director

The Group Managing Director is the conduit between the Board and Management in ensuring the success of the Group's governance and management functions. Key duties and responsibilities of the Group Managing Director are as follows:

- Developing the strategic direction of the Group, with consultation and approval of the Board;
- Ensuring the effective implementation of the Group's Business Plan and policies established by the Board to achieve the corporate objectives;
- Accountable for overseeing the day-to-day operations to ensure the smooth and effective running of

- the Group;
- Monitoring performance results against business plans; and
- Ensuring compliance with governmental procedures and regulations.

Overall, the Group Managing Director is the leader to the whole Management team and is required to set high standard of good governance and examples to the employees of the Group during its day-to-day management.

3. Board Processes/Meetings

3.1 Frequency

The Board schedules at least four (4) meetings a year at quarterly intervals with additional meetings convened whenever urgent or important matters and decisions are required.

3.2 Agenda and Meeting Papers

The notice of Board Meetings and the supporting Board Papers should be given in advance at each Board Meeting and all Directors are expected to review in advance any such materials in order to facilitate meaningful deliberation during each Meeting.

3.3 Minutes

All deliberations of the issues discussed and the decision thereof are minuted and signed by the Chairman at the subsequent Meeting after confirmation by the Board.

3.4 Access to Information and Independent Professional Advice

The Board shall be supplied with appropriate and timely information to enable it to discharge its duties. The Board papers are to be comprehensive and include all necessary information so that informed decisions could be made. The Board may also request for additional information whenever it deems necessary or appropriate.

Management of the Company is invited to the Board meetings to furnish clarification on certain issues.

All Directors have access to the professional advice and services of its qualified Company Secretaries in the course of discharging their duties and responsibilities on matters relating to procedures governing the Company which include the Companies Act, 1965, Bursa Securities LR and other applicable laws, rules and regulations, either as a full Board or in their individual capacity.

The Directors may take independent professional advice, whenever necessary and in appropriate circumstances, either individually or collectively on any matter connecting with the discharge of their responsibilities at the expense of the Company.

4. Board Governance

4.1 Conflict of Interest – Directors’ Shareholdings

All Directors, whether directly or indirectly which include spouse or other family members, who may have an interest in a contract or a proposed contract with the Company, shall declare his/her interest in accordance with the provision of the Companies Act, 1965 and Bursa Securities LR. The Director concerned shall not participate in deliberations and shall abstain himself/herself from voting in any matters arising thereof.

4.2 Compliance to Rules and Regulations

The Board understands that the responsibility for good Corporate Governance rests with them and therefore strives to follow the principles and recommendations stated in MCCG 2012. The Board includes a narrative statement in its Company’s Annual Report on the extent of compliance with the principles and recommendations of MCCG 2012 pursuant to Bursa Securities LR.

5. Board Committees

(a) Audit Committee

The Audit Committee of the Company shall consist of three (3) members, all of which are Independent Non-Executive Directors.

All members of the Audit Committee shall be financially literate and at least one (1) member of the Audit Committee must fulfilled the conditions as set out under paragraph 15.09(1)(c) of Bursa Securities LR.

The principal objectives of the Audit Committee are to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiaries. In addition, the Audit Committee shall:

- Evaluate the quality of the audits performed by the internal and external auditors;
- Provide assurance that the financial information presented by Management is relevant, reliable and timely;
- Oversee compliance with laws and regulations and observance of a proper code of conduct; and
- Determine the quality, adequacy and effectiveness of the Group's internal control and risk management system.

(b) Nomination Committee

The Nomination Committee shall consist of three (3) members, all of which are Independent Non-Executive Directors. The Nomination Committee assists the Board in regards to the following:-

- Recommend to the Board candidates for all directorships to be filled by the shareholders or the Board after considering the candidates' skills, knowledge, expertise and experience, professionalism, integrity and in the case of candidates for the position of Independent Non-Executive Directors, to evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.
- Consider in making its recommendations, candidates for directorship proposed by the GMD and within the bounds of practicability, by any other senior executive or any Director or shareholder.
- Recommend to the Board, the Directors to fill the seats on Board Committees.
- Develop criteria to be used for recruitment process, annual assessment of Directors and also assessment of independence.
- An annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director.

(c) Remuneration Committee

The primary objective of the Remuneration Committee is to assist the Board in assessing the remuneration packages of the Executive Directors with a view to ensure that a competitive remuneration package is offered to attract and retain Directors of the necessary calibre and experiences to manage the Company successfully.

The Remuneration Committee shall comprise wholly or mainly of Non-Executive Directors.

6. Directors' Training

In addition to the Mandatory Accreditation Programme as required by Bursa Securities, the Directors shall continue to undertake relevant training courses to keep abreast with development in the capital market, relevant changes in laws and regulations and on corporate governance matters to enhance their existing skills and knowledge in the discharge of their responsibilities.

The Board shall disclose in the Annual Report the trainings attended by the Directors.

7. Directors' Remuneration

The Remuneration Committee is responsible for recommending to the Board the remuneration framework and packages of all Executive Directors. The Directors concern shall abstain from deliberations and voting on their own remuneration.

The performance of Directors is measured by the Directors' contribution to both the Board and the Company.

The Executive Directors' remuneration is structured according to the skills, experience, responsibilities and performance of the Executive Directors as well as incorporating any market adjustment requirement.

8. Company Secretaries

The Company Secretaries' primary role is to advise the Board and its Committees on issues relating to compliance with Bursa Securities LR, laws, rules, procedures and regulations affecting the Company and the Group.

The appointment and removal of the Company Secretaries shall be the prerogative of the Board as a whole.

9. Board-Shareholders Relationship

The Board shall maintain an effective communications policy that enables both the Board and Management to communicate effectively with its shareholders, stakeholders and the general public.

The Board shall ensure that the AGM of the Company is conducted in an efficient manner and serves as a crucial mechanism in shareholders' communications which include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the AGM.

10. Code of Ethics and Conduct

The Directors are expected to conduct themselves with the highest ethical standards. All Directors are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Company. The following practices are observed as adherence to the code of conduct:

- At all times exercise his power for the purposes they were conferred, for the benefit and productivity of the Group.
- Avoid any conflict of interest and to disclose immediately all contractual interests, whether directly or indirectly within the Group.
- Be aware of the Company's policy on corporate social responsibility ("CSR").
- Ensure adequate safety measures and provide proper protection to workers and employees at workplaces.

11. Stakeholders Relationship

a) External Auditors and Internal Auditors

The Board, through the Audit Committee, maintains a formal and transparent relationship with its external auditors and internal auditors in seeking their professional advices. The Board meets its internal auditors on quarterly basis.

The Audit Committee also meets with the external auditors without the presence of the Executive Board members and Management twice a year regarding audit planning and other relevant audit and accounting issues.

b) CSR

The Board acknowledges that the Company should play an important role in contributing towards the welfare of the community in which it operates. In the performance of duties of CSR, the Board shall at all times observe the following:-

- To ensure the effective use of natural resources and improve quality of life;
- Be more proactive to the needs of the community and to assist in society-related programmes, supports charitable causes and initiatives on community development projects;
- To ensure that the activities and the operations of the Company and the Group do not harm the interest and well-being of society at large; and
- To ensure adequate safety measures and proper protection to workers and employees at the workplace.

12. Review of Board Charter

The Board Charter will be reviewed on a periodic basis and may be amended by the Board from time to time to ensure that new laws, regulations, Bursa Securities LR or relevant developments having an impact on the discharge of the Board's responsibilities are taken into account.