



IMPIANA HOTELS BERHAD

(REGISTRATION No.200601021085 (740838-A))

BOARD CHARTER

1. ROLES AND RESPONSIBILITIES OF THE BOARD

- 1.1 The Board is obligated to play an active role in directing management in an effective and responsible manner. The Directors, collectively and individually, has a legal and fiduciary duty to act in the best interest of the Company and to effectively represent and promote the interests of the shareholders and stakeholders with a view to achieve its vision towards corporate sustainability.
- 1.2 Having regard to the above, the Board assumes the following major responsibilities in the discharge of its obligations:
- a) Ensuring that the Company goals are clearly established and that strategies are in place for achieving them;
 - b) Establishing policies for strengthening the performance of the Company including ensuring that Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;
 - c) Monitoring the performance of Management;
 - d) Deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
 - e) Ensuring that the Company's financial statements are true and fair and conform with law;
 - f) Ensuring that the Company adheres to high standards of ethics and corporate behaviour; and
 - g) Ensuring that the Company has appropriate risk management/regulatory compliances policies in place.
- 1.3 The Board reserves full decision-making powers on the following matters:
- a) Material acquisitions and disposition of assets not in the ordinary course of business;
 - b) Investments in capital projects;
 - c) Authority levels;
 - d) Treasury policies;
 - e) Risk management policies;
 - f) Key human resource issues; and
 - g) Conflict of interest issues relating to a substantial shareholder or a Director.
- 1.4 In compliance to the requirements of any Act, rules, regulations and guidelines that are in force from time to time, the Directors have the obligation to notify the Company Secretary as necessary of their directorships, shareholdings and/or interest (direct or indirect) in the Company and update on changes arising thereto as soon as practical.

2. RESPONSIBILITIES OF MANAGEMENT

- 2.1 In the normal course of events, day-to-day management of the Company will be in the hands of Management and under the stewardship of the Executive Director.
- 2.2 The Board has established written policy and procedures determining the authority limit for Management, specifically on procurement, capital expenditure and credit control.

3. INDEPENDENT DIRECTORS

- 3.1 At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members are Independent Directors as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Directors must give effect to the spirit, intention and purpose of the definition.
- 3.2 The Independent Directors must ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.
- 3.3 The tenure of an Independent Director, should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain an Independent Director beyond nine (9) years, it shall justify and seek annual shareholders' approval. If the Board continues to retain the Independent Director after the twelfth (12) year, the Board shall seek annual shareholders' approval through a two-tier voting process. Under the two-tier voting process, shareholders' votes will be cast in the following manner at the same shareholders' meeting:
 - Tier 1: Only the Large Shareholder(s) of the Company votes.
 - Tier 2: Shareholders other than Large Shareholder(s) votes.

Large Shareholder means a person who:

- is entitled to exercise, or control the exercise of, not less than 33% of the voting shares in the Company; or
- is the largest shareholder of voting shares in the Company; or
- has the power to appoint or cause to be appointed a majority of the Directors of the Company; or
- has the power to make or cause to be made, decisions in respect of the business or administration of the Company, and to give effect to such decisions or cause them to be given effect to.

The decision for the resolution is determined based on the vote of Tier 1 and a simple majority of Tier 2. If there is more than one Large Shareholder, a simple majority of votes determine the outcome of the Tier 1 vote.

The resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution.

However, the resolution is deemed to be defeated where the vote between the two tiers differs or where Tier 1 voter(s) abstained from voting.

- 3.4 Directors are expected to advise the Chairman immediately if they believe that they may no longer be independent.
- 3.5 The Board undertakes to assess the independence of Independent Directors on an annual basis.

4. BOARD LEADERSHIP

- 4.1 There are two (2) key tasks in Board leadership, namely the running of the Board and the executive responsibility for the running of the Company's business. There should be a clear division of responsibilities in the Board to ensure balance of power and authority, such that no one individual has unfettered powers of decision-making.
- 4.2 The Company is led by the Group Executive Chairman and Group Managing Director with their roles distinct, separated and responsibilities clearly defined between them. The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board while the Group Managing Director leads the executive management and is responsible for the implementation of Company's policies and strategies besides overseeing and managing the day-to-day operations of the Company.

5. BOARD MEETINGS

- 5.1 The Board will normally hold meetings at least four (4) times in each financial year and will hold additional meetings as the situation requires.
- 5.2 Directors will use their best endeavour to attend the Board Meetings. Directors are expected to prepare themselves thoroughly and to participate fully and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board.
- 5.3 The Board has sole authority over its agenda and exercises this through the Chairman. Any Director may, through the Chairman, request the addition of an item to the agenda. The Chairman in consultation with the Executive Director and the Company Secretary will set the agenda.
- 5.4 Directors who are unable to attend the Board Meetings shall accordingly advise the Chairman, Executive Director and/or the Company Secretary on the same at the earliest time possible.
- 5.5 Board discussions will be open and constructive, recognising that genuinely held differences of opinion could bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek a consensus of the Board but may, where

considered necessary, call for a vote. All discussions and their record will remain confidential unless there is a specific direction from the Board to the contrary, or disclosure is required by law. Subject to legal or regulatory requirements, the Board will decide the manner and timing of the publication of its decisions.

5.6 Directors are expected to strictly observe confidentiality of Company information.

6. ACCESS TO INFORMATION AND ADVICE

6.1 The Company aims to provide all Directors with timely and quality information and in a form and manner appropriate for them to discharge their duties effectively.

6.2 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.

6.3 The full agenda and comprehensive Board papers are disseminated to all Directors in advance of meetings to enable them to prepare for the meetings.

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

6.5 The Board meeting papers provided to the Directors include progress reports on business operations, financial results, information on business propositions, industry outlook, operational and regulatory compliance matters, corporate proposals besides minutes of meeting of Board Committees and Management. For corporate proposals deemed material and price-sensitive, supporting papers would be circulated to the Directors during the Board meeting.

6.6 At Board meetings, the Management presents and provides explanation on the reports provided. Senior Management and Consultants may be invited to attend the Board meetings to advise or give detailed explanation and clarification on relevant agenda items to enable the Board to make informed decisions. Any Director who has a direct and/or indirect interest in the subject matter to be deliberated on shall abstain from deliberation and voting on the same.

6.7 Directors are entitled to have access, at all reasonable times, to all relevant Company information and to Management and have at least two (2) private sessions in a year with the external auditors.

6.8 The Directors, whether as full Board or individual capacity, may seek independent professional advice in furtherance of their duties. If such advice is considered necessary, it shall be first discussed with the Chairman and having done so, shall be free to proceed. Subject to the prior approval of the Chairman, the cost of the advice will be reimbursed by the Company but the Directors will ensure, so far as is

practicable, that the cost is reasonable.

- 6.9 The Directors have unlimited access to the professional advice and services of the Company Secretary.

7. COMPANY SECRETARY

- 7.1 The Board appoints the Company Secretary and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.
- 7.2 The appointment and removal of Company Secretary is a matter for the Board as a whole.
- 7.3 The Secretary is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.
- 7.4 The Board recognises the fact that the Company Secretaries of the Company are suitably qualified and competent in carrying out the duties required.

8. BOARD COMMITTEES

- 8.1 Board Committees will be formed only when it is necessary to facilitate efficient decision-making.
- 8.2 Board Committees will observe the same rules of conduct and procedure as the Board unless the Board determines otherwise.
- 8.3 The Board of the Company has appointed the following Board Committees with specific terms of reference :
- Audit Committee
 - Nomination Committee
 - Remuneration Committee
- 8.4 Independent and Non-Executive Directors of the Company play a leading role in these Committees. The Management is co-opted to the Committees as and when required.
- 8.5 The Board Committees consider particular issues and recommend proposed actions to the Board. The Chairman of the respective Committees will report on the decisions and/or recommendations made by the Committee to the Board. The Minutes of all Board Committees are made available to the Board.
- 8.6 The terms of reference of each Committee appointed by the Board are attached hereto as Appendix E, F & G.

9. BOARD APPOINTMENTS

- 9.1 The appointment of new Directors is a matter for consideration and decision by the Board upon recommendation from the Nomination Committee.
- 9.2 New Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board performance or its duties and to give sufficient time and attention to the affairs of the Company.
- 9.3 The Board has never practiced nor allowed gender biasness as they believe that the ability and capability of an individual should be the priority to place in appointing a director.
- 9.4 The Board designates the Chair of the Nomination Committee as the Senior Independent Director of the Company.

10. BOARD COMMITMENT

- 10.1 Any Director of the Company, while holding office, is at liberty to accept other Board appointments so long as the appointment is not in conflict with the business and does not affect his performance as a director. This must be subsequently notified to the Chairman and Group Managing Director.
- 10.2 Each Director shall attend at least 50% of the total Board meetings held during the year.
- 10.3 The Directors at any one time must not hold more than five (5) directorships in listed companies.

11. BOARD TRAINING AND DEVELOPMENT

- 11.1 In addition to the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad, the Directors are encouraged to attend various training programmes and to participate in site visits at business locations to constantly update their knowledge as well as enhance their skills. This will enable Directors to effectively discharge their duties and keep abreast with industrial sector issues, developments in the industry and global market, management strategies and regulatory laws, rules as well as guidelines and which are relevant to the Company's operations and business.
- 11.2 The training needs of the Directors will be reviewed by the Nomination Committee on a regular basis to ensure that they are acquainted with the latest development and changing environment within which the Company operates.

12. BOARD EVALUATION

12.1 The performance of the Directors as a whole and individually are assessed by the Nomination Committee on a yearly basis with due consideration to the competency, commitment, contribution and performance.

13. DIRECTORS' REMUNERATION

13.1 The Company aims to set a fair remuneration and other emoluments to attract, retain and motivate directors and ensure that rewards commensurate with their contributions and in tandem with the performance of the Company.

13.2 The Remuneration Committee is responsible to annually:

- a) review the achievement of the Executive Directors and recommend the framework of their remuneration package to the Board for their approval, with the Executive Directors abstaining from deliberation and voting on the same;
- b) recommend the basic annual fees and any benefits payable to the Directors; and
- c) recommend meeting allowance paid to Directors for attendance at meetings and based on their responsibilities in Board Committees

13.3 The approval for the above lies with the Board prior to recommending the same for shareholders' approval at the annual general meeting of the Company and the relevant Directors are to abstain from deliberation and voting on their remuneration.

14. REVIEW OF BOARD CHARTER

14.1 This Board Charter to be made available on the website of the Company will be reviewed periodically to ensure they remain consistent with the Board's objectives and responsibilities as well as relevant standards of corporate governance.

Approved and adopted by the Board of Directors on 15 November 2018
