

# ECM LIBRA FINANCIAL GROUP BERHAD

## Board Charter

The Board of Directors (the "Board" or "Directors") is accountable and responsible for the business performance and affairs of ECM Libra Financial Group Berhad (the "ECM" or "Company") and its Group of companies (the "Group"). The Board practises a high level of governance in the discharge of its duty to protect and safeguard the interests of the Company's shareholders, customers and all other stakeholders.

All members of the Board are expected to show good stewardship, act professionally and uphold the values of integrity, sincerity, ethical conduct and corporate accountability with due regard to their fiduciary duties and responsibilities.

### Roles and Responsibilities of the Board

The Board is responsible to approve the overall strategies, and business and organisational policies of the Group. The Board also sets the Group's core values and adopts proper standards to ensure that the Group operates with integrity and complies with the relevant rules and regulations. The Board has a formal schedule of matters reserved for its purview such as:

- ~ setting the strategic direction, approving and reviewing the business plans for the Group;
- ~ overseeing the conduct and performance of the Group's businesses;
- ~ identifying and managing principal risks affecting the Group;
- ~ reviewing the adequacy and integrity of the Group's internal control systems;
- ~ approving the appointment of Chief Executive Officer of the Company and its major subsidiary companies;
- ~ approving the compensation of senior management staff;
- ~ approving changes to the corporate organisation structure;
- ~ approving the appointment of Directors and Directors' emoluments and benefits; and
- ~ approving policies relating to public relations, investor relations and shareholder communication.

The Chairman of the Board leads the Directors in discharging the Board's responsibilities and oversight of management whilst the responsibility of managing the Group's business activities is delegated to the Managing Director. The Managing Director is accountable to the Board and is responsible for growing the Group's overall business and providing direction in the implementation of strategies, policies and business plans approved by the Board.

### Board Committees

The Board has established three Committees to assist in the discharge of its duties and each Committee has its own specific terms of reference. The Board Committees undertake in-depth deliberation of the issues delegated to it before tabling its recommendations to the Board. The Board Committees are:

- i. Board Audit and Risk Management Committee;
- ii. Board Nomination Committee; and
- iii. Board Remuneration Committee.

The Board Audit & Risk Management Committee (the "BARMC") is responsible to review and approve the internal audit plan and statutory audit plan and deliberate on the audit reports; and to evaluate internal controls, including risk management and compliance matters; to review the quarterly interim financial statements and year-end financial statements of the Group and the Company, and to consider related party transactions and conflict of interest

situations that may arise within the companies in the Group. The BARMC is also responsible to review the scope, competency and resources of the internal audit function, as well as the appointment/re-appointment of the external auditors and their fees.

The Board Nomination Committee (BNC) is responsible for assessing and recommending new nominees to the Board, re-appointment of retiring Directors as well as Directors to fill seats on Board committees; assessing the effectiveness of the Board and the Board committees; and review the required mix of skills, experience and other qualities which Directors should bring to the Board. The BNC is responsible to assess the independence of independent directors based on the criteria established by the BNC in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements of Bursa Securities), the Company's policy on tenure of independent directors and as suggested in Exhibit 8 of the Corporate Governance Guide: Towards Boardroom Excellence (2nd Edition) issued by Bursa Malaysia Securities Berhad. The BNC is also responsible to assess and recommend to the Board the appointment of Chief Executive Officer, oversee the succession of Board members and Chief Executive Officer and evaluate the performance of the Managing Director and other key senior management of the Group.

The Board Remuneration Committee is responsible for assessing and recommending to the Board the remuneration of Directors and key senior management staff, and the payment of performance bonus and salary increments for employees of the Group.

### **Quorum, Proceedings and Attendance of Meetings**

The Board meets on a quarterly basis and additionally as and when required, with a formal schedule of matters specifically reserved for its deliberation and decision. The quorum, proceedings and attendance of meetings are governed by the Constitution of the Company and the Listing Requirements of Bursa Securities.

### **Time Commitment**

The Directors are aware of their responsibilities and will devote sufficient time to discharge such responsibilities. Each member of the Board holds not more than five (5) directorships in public listed companies in accordance with the Listing Requirements of Bursa Securities. The Directors will inform the Board on their new appointment as director in other companies. These ensure that their commitment, resources and time are focused on the affairs of the Company and enable them to discharge their responsibilities effectively. The meeting schedule for the ensuing financial year will be provided to the Directors in advance before the end of the current financial year so that the Directors are able to plan ahead and ensure sufficient time will be devoted to discharge their duties and responsibilities. The Directors are encouraged to participate in continuing training programme and/or to devote time in informal continuing professional development through reading articles relating to topics relevant to the business of the Group.

### **Retirement and re-election of Directors**

The Constitution of the Company provide that at least one-third of the Directors are subject to retirement by rotation at each Annual General Meeting (AGM) and that all Directors shall retire at least once in every three years. The Constitution of the Company also provides that a Director who is appointed by the Board in the course of the year shall be subject to re-election at the next AGM to be held following his appointment.

## **Access to Information and Independent Advice**

Board members are provided with the notice, setting out the agenda and the comprehensive Board papers in a timely manner prior to Board meetings. This is to ensure and enable the members of the Board to discharge their duties and responsibilities competently and in a well-informed manner. All members of the Board have access to the advice and support of suitably qualified and competent Company Secretary. The Board shall also have access to advice of independent professional advisers at the expense of the Company. The Board will discuss and collectively decide on seeking such independent advice when the need arises. They also have unlimited access to all information with regard to the activities of the Group during deliberations at the Board meetings as well as through regular interaction with the members of the senior management who are obliged to provide the Board with complete, well-focused and adequate information in a timely manner.

## **Code of Ethics**

The Board observes the codes as set out in the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia and the requirements under the Companies Act, 1965.

The Directors adhere to the Code of Ethics which provides guidance on the standards of conduct and prudent business practices as well as standards of ethical behaviour. The salient points of the Code of Ethics are highlighted below:

1. Should ensure at all times that the Company is properly managed and effectively controlled;
2. Should stay abreast of the affairs of the Company and be kept informed of the Company's compliance with the relevant legislation and contractual requirements;
3. Should disclose immediately all contractual interests whether directly or indirectly with the Company;
4. Should at all times act with utmost good faith towards the Company in any transaction and to act honestly and responsibly in the exercise of his powers in discharging his duties; and
5. Relationship with Shareholders, Employees, Creditors and Customers
  - (i) Should be conscious of the interest of shareholders, employees, creditors and customers of the Company;
  - (ii) Should at all times promote professionalism and improve the competency of management and employees; and
  - (iii) Should ensure adequate safety measures and provide proper protection to workers and employees at the workplace.

The conduct of the Board is also governed by the Constitution of the Company and the relevant laws and regulations in Malaysia.

The Board has also approved a Code of Conduct to be observed by all employees of the Group, incorporating a Code of Ethics and a Code of Practice on the Prevention and Eradication of Sexual Harassment in the Workplace.