

# **PMCK BERHAD**

**(FORMERLY KNOWN AS UNIQUE LUXURY HOLDINGS SDN. BHD.)**

[Registration No. 200001029676 (532283-M)]

(Incorporated in Malaysia)

## **BOARD CHARTER**

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## **GLOSSARY**

### **In this Charter:**

"Act" means the Companies Act 2016 and any amendments from time-to-time;

"Listing Requirements" means the Listing Requirements of Bursa Malaysia Securities;

"AGM" means Annual General Meeting;

"Board" means the Board of Directors of the Company;

"Bursa Malaysia Securities" means Bursa Malaysia Securities Berhad;

"Chairman" means the Chairman of the Board and is used in a gender-neutral sense;

"Charter" means the Board Charter of the Company;

"Company" means PMCK Berhad (formerly known as Unique Luxury Holdings Sdn. Bhd.) or whatsoever name called for the company bearing registration number 200001029676 (532283-M);

"Directors" means Directors of the Company as defined under the Act;

"Management" means the management personnel of the Company;

"MCCG" means the Malaysian Code of Corporate Governance;

"Secretary" means the Company Secretary(ies) of the Company;

"Shareholders" means the shareholders of the Company; and

"Group" means the Company and its subsidiaries.

Unless there is something the subject or context inconsistent herewith, words incorporating the singular shall include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine gender and vice versa.

## **PURPOSE AND OVERVIEW**

Every public-listed company should be headed by an effective Board, which can both lead and control the business.

This Charter is intended to serve as a set of standard and guidelines for the Board of the Company, and is also intended to provide a concise overview of: -

1. the delineation of the duties, responsibilities and powers of the Board and its Executive Directors and senior management of the Company with the aim of streamlining and enhancing corporate governance practices towards accountability, integrity and transparency in boardroom activities that involve the Group; and
2. Board operating procedures and practices pertaining to meeting, selection, nomination and appointment, training and development, performance management and evaluation, code of conduct and declarations on conflicts of interest.

In adhering to the responsibilities set out in this Charter, Board members are expected to perform their duties with integrity, honesty and in a professional manner in accordance with the law in serving the interest of its members, employees, clients and the community.

This Charter is governed by, where applicable, the Constitutions of the Company, the Act, MCGG, Listing Requirements, applicable regulatory and legislative requirements and other good practices on corporate governance.

## **A) THE BOARD AND ITS DIRECTORS**

### **1.0 Duties and responsibilities of the Board**

- 1.1 The Board derives its authority to act and exercise its powers from the relevant legislative and regulatory provisions and the Company's Constitution. All directors owe fiduciary duties to the Group and must exercise reasonable care, skill and diligence to ensure the proper management of the entity, including maximising long-term financial returns. The Board is responsible for ensuring that the Group are managed to achieve this result. The Board will direct and supervise the management of the business and affairs of the Group in the best interest of the shareholders.
- 1.2 For the effective discharge of its functions, the responsibilities of the Board include but not limited to the following:
  - (i) To provide leadership and oversee the overall conduct of the Group's businesses to ensure that the businesses are being properly managed;
  - (ii) To ensure that the Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by MCGG;
  - (iii) To appoint the Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by the Board committees and deliberate on the recommendations thereon;

- (iv) To promote, together with the senior management, good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour, including overseeing the ethical conduct of business and preventing bribery on the Group's business;
- (v) To review, challenge and decide on Management's proposals for the Group and monitor its implementation by Management;
- (vi) To set, review and adopt strategic plans, business plans, risk management, values and standards for the Group and to ensure that the Group's strategic plan supports long-term value creation, focusing on economic, environmental and social considerations underpinning the sustainability of the Group;
- (vii) To supervise and assess Management's performance to determine whether the business is being properly managed;
- (viii) To ensure there is a sound framework for internal controls and risk management;
- (ix) To understand the principal risks of the Group's business and recognise that business decisions involve the taking of appropriate risks;
- (x) To set the risk appetite within which the Board expects Management to operate and ensure there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks faced by the Group;
- (xi) To ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and senior management;
- (xii) To ensure that the Group has in place procedures to enable effective communication with stakeholders;
- (xiii) To ensure that all Directors are able to understand financial statements and form a view on the information presented;
- (xiv) To ensure the integrity of the Group's financial and non-financial reporting; and
- (xv) To ensure that the Group's sustainability strategies, priorities and targets as well as performance against such targets are communicated to the Company's shareholders and other stakeholders.

- 1.3 The Board may choose to delegate some of these responsibilities to one or more of its Board Committees. This delegation of responsibilities will be reflected in the terms of reference of the respective Board Committees.

## **2.0 Size, Composition and Nomination**

- 2.1 The size of the Board as stipulated in the Constitution of the Company, shall comprise a minimum of two (2) Directors. At least two (2) Directors or 1/3 of the Board of the Company, whichever is the higher, shall be Independent Directors and there shall be at least one (1) woman Director onboard. The size of the Board must be commensurate with the range of credential, knowledge, views and experience needed for effective functioning of the Board and the regulator's requirement of Independent Directors.

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### **Board Charter**

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- 2.2 The Board is supportive of gender diversity policy. In its selection of Board members, the Board provides equal opportunity to all candidates who meet the criteria and other qualities vis-a-vis the Group present business portfolios and prospective investments.
- 2.3 In identifying candidates for appointment of Directors, the Board with the assistance of Nominating Committee shall utilise variety of independent sources to identify suitably qualified candidates, where appropriate.
- 2.4 The detailed profiles of nominated directors will be presented to the Board by the Nominating Committee to assist the Board in their decision whether to confirm the appointment of the nominated directors.
- 2.5 In the event of any vacancy in the Board, resulting in the non-compliance with 2.1 above, the Company must fill the vacancy within 3 months.
- 2.6 All new Directors appointed to the Board shall undertake an induction program coordinated by the Managing Director.

### **3.0 Chairman of the Board**

- 3.1 The Board is empowered by the Company to appoint a Chairman. In the absence of the Chairman, the Directors present must elect a Director present to chair the meeting.
- 3.2 The role of the Chairman is to ensure that the Board is functioning effectively in line with good corporate governance practices. The key responsibilities of the Chairman include:
- providing leadership for the Board so that the Board can perform its responsibilities effectively;
  - leading the Board in discussion of recommendations of the Board Committees, and the subsequent adoption and implementation of good corporate governance practices in the Company;
  - setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;
  - leading Board meetings and discussions;
  - encouraging active participation and allowing dissenting views to be freely expressed;
  - ensuring that decisions taken are on a sound and well-informed basis;
  - managing the interface between Board and Management;
  - managing communication between the Board and stakeholders; and
  - ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.
- 3.3 The Chairman should not be a member of the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee.

### **4.0 Executive Directors**

- 4.1 The key responsibilities of the Executive Directors are to:
- develop strategic direction of the Group;
  - ensure Board decisions are implemented and Board directions are responded to;
  - provide directions in the implementation of short and long-term business plans;
  - provide strong leadership i.e. effectively communicating a vision, management philosophy and business strategy to the employees;

- keep the Board fully informed of all important aspects of the Group's operations and ensure sufficient information is distributed to Board members; and
- ensure day-to-day business affairs of the Group are effectively managed.

### **5.0 Independent Directors**

- 5.1 An Independent Director must fulfil the provisions and definition of 'Independent Director' of the Listing Requirements at all times and must declare their independence to the Board annually.
- 5.2 The tenure of an Independent Director should not exceed a term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. In the event the Board wishes to retain an Independent Director, who has served in that capacity for more than nine (9) years, the Board must justify and seek shareholders' approval through a two-tier voting process, as follows:-

*Tier 1: Only the Large Shareholder(s) of the Company votes*

*Tier 2: Shareholders other than Large Shareholder(s) votes*

Large Shareholder(s) means a person who –

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

The decision for the resolution is determined based on the simple majority of votes of Tier 1, and a simple majority of votes of Tier 2. The resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution. The resolution is deemed defeated where the vote between the two tiers differs or where Tier 1 voter(s) abstained from voting.

- 5.3 The maximum tenure of an Independent Director should be no more than a cumulative period of 12 years from the date of his/her first appointment as an Independent Director of the Company or any of its related corporation.
- 5.4 The responsibilities of an Independent Director are to:
- provide and enhance the necessary independence and objectivity to the Board;
  - ensure effective checks and balances on the Board;
  - mitigate any possible conflict of interest in policy-making process and the day-to-day management of the Group;
  - constructively challenge and contribute to the development of business strategy and direction of the Group; and
  - ensure that adequate systems and controls to safeguard the interests of the Group are in place.

## **6.0 Managing Director**

6.1 The key responsibilities of the Managing Director are to:

- oversee the day-to-day operations of the Group and to ensure the smooth and effective running of the Group;
- to be accountable and responsible for the Group's operations, financial and sustainability performance;
- together with the Head of Departments, to ensure that the business affairs of the Group are carried out in an ethical manner and in compliance with relevant laws and regulations;
- conduit between the Board and the Management in ensuring the success of management functions; and
- implement the policies, strategies and decision adopted by the Board.

## **7.0 Company Secretary**

7.1 The appointment and removal of the Company Secretary are matters for the Board. The Company Secretary should be suitably qualified, competent and capable of carrying out the duties required of the position.

7.2 The Company Secretary(ies) must possess the necessary knowledge and experience to effectively execute their responsibilities. This proficiency should encompass areas such as company and securities law, finance, governance, corporate secretaryship, and compliance with Listing Requirements.

7.3 The key roles of the Company Secretary are to provide unhindered advice and services for the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.

7.4 The main responsibilities of the Company Secretary include, but are not limited to the following:-

- Attend and record minutes of all Board and committee meetings and facilitate Board communications;
- Advise the Board on its roles and responsibilities;
- Advise the Board on corporate disclosures and compliance with Company and securities regulations and Listing Requirements;
- Manage processes pertaining to the annual shareholder meeting;
- Monitor corporate governance developments and assist the Board in applying corporate governance practices to meet the Board's needs and stakeholders' expectations; and
- Carry out other functions as deemed appropriate by the Board from time to time.

## **B) BOARD OPERATIONS AND PROCEDURES**

The Board shall be responsible for the following functions of the Group:

### **8.0 Strategic Functions**

- **Strategic planning:** Approving the Group's strategy, objectives, associated performance indicators and targets and approving any subsequent material variations, ensuring such strategies and objectives are in support of value creation for the Group.

- **Business planning:** Approving, adopting and monitoring the business plan including operating budgets, capital budgets, performance indicators and major projects including corporate restructures/reorganisation, major capital expenditure, capital management, acquisitions and divestitures and any significant initiatives or opportunities.
- **Funding:** Contributing to and approving a strategy for the Group funding, including funding targets, timelines and avenues and appropriately involving itself in liaison and communication with potential sources of funding.
- **Change management:** Overseeing the Group's capacity to identify and respond to changes in its economic and operating environments.
- **Stakeholder liaison:** Appropriately involving itself in liaison and communication with key stakeholders.
- **Performance monitoring:** Overseeing the conduct and performance of the Group to ensure they are being properly and appropriately managed. To discharge this duty, the Board will give specific and regular attention to:
  - (i) monitor performance against the strategic and business plans;
  - (ii) monitor performance against peer and competitor companies; and
  - (iii) enquire and follow up areas of poor performance and their cause.

#### **9.0 Governance and Matters reserved for the Board**

- **Delegations of authority:** Reviewing, approving and, where appropriate, revising the delegations of authority from the Board to the Management. These delegations must be clearly conveying to empower the Managing Director, Executive Directors and key senior management team to run the Group.
- **Committees:** Overseeing the work of the Board Committees including determining the need for specific Committees, reviewing the need for those Committees on an ongoing basis, receiving reports from, reviewing the work of, and considering the recommendations made by each Committee.
- **Information needs:** Dictating its information needs to management including the form, timing, content and style of Board papers and ensuring these are fully addressed on an ongoing basis.
- **Management succession planning:** Ensuring that appropriate plans are in place for the succession of senior management.
- **Other matters:** Attending to corporate governance matters including the identification and nomination of the members of new Directors to fill Board vacancies and to any other matters identified as reserved to the Board.

#### **10.0 Risk Management, Compliance and Internal Controls**

- **Risk management:** Defining the Group's risk appetite, approving and overseeing the operation of the Group's corporate risk management framework, assessing its effectiveness, understanding and reviewing the major/significant risks facing the group and monitoring their management.

- **Internal controls:** Overseeing, reviewing and monitoring the operation, adequacy and effectiveness of the Group's reporting systems and the overall framework of internal controls established by management including operational, accounting and financial reporting controls.
- **Operational compliance:** Approving, reviewing and monitoring compliance with corporate policies.
- **Legal compliance:** Overseeing, reviewing and monitoring the operation of the Group's procedures to ensure compliance with relevant legislation is actively promoted within the Group. Attention shall also be given to privacy and occupational health and safety programs.
- **Sustainability:** Understanding sustainability issues relevant to the Group, implementing sustainability strategies addressing economic, environmental and social concerns, and ensuring that the Group's performance is in line with its sustainability goals.
- **Reputation:** Being aware of and, where appropriate, reviewing any litigation, actions, transactions and issues, papers and reports to external/third parties which impact the Group and which may attract public, government, regulatory or other interest.
- **Encourage the reporting of unlawful or unethical behavior:** Maintaining a firm stance in encouraging the reporting of unlawful or unethical behavior and ensuring that employees and management are assured of protection where violations are reported in good faith.

#### **11.0 Financial**

- **Financial oversight:** Overseeing all aspects of the Group's financial position including giving specific attention to the quantum, nature and terms of Group's debt facilities and its ability to meet its debts and other obligations as they fall due.
- **Financial reporting:** Approving the annual audited financial statements, the quarterly financial statements, and the theme and text of the Company's and Group's annual report.
- **Audit:** Selecting the Group's external auditors for approval by the members, ratifying the appointment of the external auditors and approving their respective scopes of work.
- **Related party transactions:** Reviewing and monitoring all related party transactions to identify whether consideration should be given to seeking stakeholder approval and ensuring compliance with the market regulations.

#### **12.0 Human Resource**

- **Executive appointment and termination:** The appointment and dismissal of Managing Director and Executive Directors.
- **Executive performance and development:** Ensuring an appropriate process is in place to recruit, review the performance of, remunerate, train and develop executives and to provide for Management succession.

- **Executive compensation:** Reviewing and approving the compensation, equity and incentive schemes in place for the executives to ensure they are appropriate and competitive.
- **Ethical behavior:** Reviewing, approving and monitoring compliance with the Group Code of Ethics, which provides guidance regarding ethical behaviour, including approving all proposed revisions or waivers.

### **13.0 Relationship between the Board and Management**

- 13.1 Subject to the formal delegations of authority, the Board delegates responsibility for the operation and management of the Group business to the Managing Director and the Management team. Management is accountable to the Board and is to fulfil this responsibility through the provision of reports, briefings and presentations on a regular basis throughout the year.

Other executives and top management shall attend Board meetings by standing invitation.

- 13.2 The Board will adopt appropriate structures and procedures to ensure it retains its independence and functions independently of management. This will include the Non-Executive Directors meeting in the absence of Management on a scheduled basis.
- 13.3 Independent Directors may communicate with members of the senior management team at any time.

### **14.0 Investor and Stakeholder Liaison**

- 14.1 The Board's investor and shareholder liaison objective is to ensure that there are effective communications with its shareholders, the financial communities and other stakeholders that fairly and accurately reflect the Group. This is to help the Group to achieve a fair market value for its securities and optimum cost of capital and at the same time to facilitate investors and potential investors to make informed investment decisions.
- 14.2 The Board's investor and stakeholders' relations initiatives are designed and driven by the following principles:
- The Board will always report its financial results and material development to Bursa Malaysia Securities, its shareholders and other stakeholders in an open, timely and comprehensive manner;
  - The Board will communicate only through its designated spokespersons;
  - The Board will leverage its website as an additional communications channel;
  - The Board will proactively address reports and rumours, so as to avoid unnecessary speculation in its securities;
  - The Board will give reasonable access to analysts and the media to help them have informed opinions of the Group, but will not seek to influence those opinions or to give information that is not available to the general public; and
  - The Board will meet with its shareholders in the Company's AGM and Extraordinary General Meeting (if any) to inform and obtain feedback from shareholders.

### **15.0 Board Committees**

15.1 The Board may from time to time establish appropriate Committees to assist it in the discharge of its responsibilities. However, the Board will not delegate any of its decision-making authority to those Committees. The Board has established the following Committees:

- Audit and Risk Management Committee
- Nominating Committee
- Remuneration Committee

15.2 Each formally constituted Committee will have their written terms of reference, approved by the Board. Formal minutes of each Committee meeting will be prepared and circulated to each of the respective Committee members as set out in the relevant Committee's terms of reference, together with a clear list of recommendations and/or other matters and issues for the consideration of the full Board at the next Board meeting.

### **16.0 Meetings**

16.1 Board meetings are held at least four (4) times annually. The agenda for each meeting is dictated by the needs of the Board and the matters set out in the annual agenda for attention at a particular meeting.

16.2 Additional Board meetings can be convened by the Company Secretary at the request of any Director at any time by giving all Directors at least seven (7) days' notice in writing. A meeting may, with the consent of all Directors, be convened with shorter notice.

16.3 Personal attendance of Board members at meetings is preferred. But, the Board and Board Committees may hold meetings at two (2) or more venues using any technology (for example: teleconferencing) that gives all members of the Board or the relevant Board Committee a reasonable opportunity to participate in the meeting.

16.4 In addition to the above, subject to relevant laws and guidelines, the following should be observed by Board:

- To meet on a quarterly basis, but in any event, no less than once in every three (3) months, or whenever deemed necessary;
- All directors must attend at least 50% of the Board meetings held in each financial year or such other percentage as may be prescribed by the Listing Requirements;
- the quorum of the meetings shall be met pursuant to the Constitution of the Company;
- the participation of the Director can be facilitated by means of video or teleconferencing;
- the relevant Management may be invited to attend the Board meetings;
- The Company Secretary shall be the Secretary of the Board Meeting and minutes of meetings shall be taken and documented; and
- Information and meeting materials should be supplied to the Directors at least seven (7) business days prior to the meeting in order for them to discharge their duties.

16.5 In lieu of meeting, the Board is allowed to carry out resolutions by way of circulation.

**17.0 Access of Information and Resources**

17.1 The Board shall:

- have complete, adequate and timely information prior to Board meetings and on an ongoing basis;
- have the resources required to perform its duties;
- have full and unrestricted access to any information including records, properties and employees of the Group; and
- be able to obtain independent professional or other advice from external advisors with relevant knowledge and experience, as and when necessary for the performance of its duties, at the cost of the Group.

**18.0 Continued Education Programme and Training**

18.1 Directors are expected to undertake continuing professional education to enable them to discharge their duties effectively. While Management, Company Secretary, Internal and External Auditors will brief the Board on changes in the legislative, regulatory or industry framework which impact the Group, this is not a substitute for the Directors' efforts to seek continuous knowledge of the changes in the market regulations.

18.2 Based on the result of appraisal, the Nominating Committee would assist the Board to undertake an assessment of the training needs of each director.

**19.0 Remuneration**

19.1 The Board will consider for adoption a remuneration policy established by the Remuneration Committee designed to enhance corporate and individual performance. The level of remuneration will be designed to attract and maintain talented and motivated Directors and employees. Executive Directors are remunerated based on the Group's performance whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience and the level of responsibilities assumed.

19.2 The maximum amount of Directors' fees and benefit to be paid to Directors will be recommended by the Board and subject to ordinary resolution of the shareholders.

**20.0 Performance Evaluation**

20.1 The Board reviews and evaluates individual Directors' performance, its own performance and the performance of its Committees at least annually based on the report of the Nominating Committee.

**C) OTHER MATTERS**

**21.0 Indemnity and Insurance**

21.1 The Board is responsible to consider appropriate insurance policy to mitigate liabilities of Directors and management holding office in the Group.

**22.0 Publication of the Board Charter**

22.1 This Charter will be available to all Directors. A copy of this Charter shall be published on the Company's website.

**23.0 Review of the Board Charter**

- 23.1 The Board will review this Charter and make any necessary or desirable amendments to ensure they remain consistent with the Board's objectives, current regulation requirements and governance best practice. Changes of the provisions in this Charter shall be adopted by the Board with a formal resolution.

**24.0 Disclosure and Conflict of Interest**

- 24.1 Directors are required to take all reasonable steps to avoid actual, potential or perceived conflict of interests with the Group's interest.
- 24.2 A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company or any of its subsidiaries shall declare the Director's interest in accordance with the Act.
- 24.3 Should there be actual, potential or perceived conflict of interest between a Company and a Director, or a person connected with Director such as a spouse, other family member, or a related company, the interested Director shall make full disclosure in bona fide and act honestly in the best interest of the Group and shall not participate in deliberations and shall abstain himself from casting his votes in any matter arising there from.

This Board Charter was adopted by the Board of Directors on 25 November 2024.

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