BOARD CHARTER

1. INTRODUCTION AND OBJECTIVE

This Board Charter ("Charter") is designed to provide clearly the responsibilities, functions and terms of reference within which the Board, Board Committees and individual Directors play their roles distinct from the management ("Management") to ensure business integrity and maintain investors' confidence in the corporate objectives of MMM Group Berhad ("MMM" or "Company") and its subsidiaries ("Group").

The Board of Directors ("Board") of MMM believes that strong corporate governance is essential for delivering sustainable value to its stakeholders. 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 interests of its shareholders, clients, employees, the community and other stakeholders.

The Board is committed to maintaining high standards of corporate governance, integrity, accountability, transparency, ethical conduct and anti-bribery and corruption compliance throughout the Group.

It should be noted that this Charter serves as a reference to the Board members in executing their responsibilities. The provisions contained in this Charter neither replace nor supersede the laws of Malaysia or the applicable regulatory frameworks.

2. THE BOARD

2.1 Composition

The Board consists of qualified individuals with a diverse set of skills, experience and knowledge necessary to govern the Company.

The Constitution of the Company provides for a minimum of three (3) directors and a maximum of seven (7) directors. The composition has to fulfil the Main Market Listing Requirements of Bursa Securities, which stated that at least two (2) or one-third (1/3) of the Board, whichever is higher, must be Independent Director.

The composition and size of the Board will be reviewed from time to time to ensure its suitability to facilitate the decision making of the Company.

The independent directors provide the strong independent element to the Board to ensure that all matters are reviewed with objectivity, balance and fairness. The Board shall identify an independent non-executive director to be appointed as the Senior Independent Director who will attend to any query or concern raised by shareholders as an alternative to the existing formal channel of communication with shareholders.

The Board is committed to workplace diversity, with a particular focus on supporting the representation of women in the composition of the Board of the Company. The Board, through the Nomination Committee, will conduct all Board appointment process in a manner that promotes diversity, including gender, ethnicity, age and experience.

2.2 Appointment and Re-election

Pursuant to the Constitution of the Company, all Directors appointed by the Board shall be subject to re-election at the next Annual General Meeting ("AGM").

At every AGM, one-third (1/3) of the Directors shall retire from office and shall be eligible for re-election.

The Nomination Committee is responsible to recommend appointment of new candidates to the Board of Directors by considering the required mix of skills, experience, qualities, time commitment and diversity, where appropriate. The Board shall deliberate and determine any appointment of a new director upon the recommendation from the Nomination Committee.

2.3 Independence of Director

2.3.1 Tenure of Independent Directors

The Board shall ensure that the tenure of an Independent Director does not exceed a cumulative term of nine (9) years unless approved by shareholders in accordance with applicable regulatory requirements.

2.3.2 Access to Information and Advice

The Board recognises that the decision making process is highly contingent on the quality of information furnished. As such, all Directors have unrestricted access to any information pertaining to the Company and the Group.

All Directors shall receive Board papers and relevant information in a timely manner prior to meetings to facilitate effective deliberation and decision making.

The Board may seek independent professional advice at the Company's expense on specific issues to enable it to discharge its duties in relation to matters being deliberated.

2.4 Clear Roles and Responsibilities of the Board

The Board has the overall responsibility in leading and determining the Group's strategic direction. It provides an effective oversight of the conduct of the Group's business, ensuring an appropriate risk management and internal control system is in place as well as regularly reviewing such system to ensure its adequacy and integrity.

The Board assumes the following principal responsibilities in discharging its fiduciary and leadership functions:

(a) reviewing and adopting a strategic plan for the Company;

(b) overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;

(c) identifying principal risks, including anti-bribery and corruption risks, and ensuring the implementation of appropriate systems, policies and procedures to manage such risks;

(d) reviewing the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;

(e) overseeing the Group's anti-bribery and corruption framework and ensuring adequate procedures are implemented in compliance with applicable anti-corruption laws and guidelines;

(f) overseeing the implementation of appropriate whistleblowing mechanisms and ethical governance practices within the Group;

(g) reviewing significant internal audit findings and ensuring appropriate corrective actions are implemented by Management;

(h) succession planning, including appointing, training, fixing of compensation and where appropriate, replacing Senior Management;

(i) developing and implementing an investor relations programmes or shareholder communication policies for the Company; and

(j) promoting a culture of integrity, accountability, transparency and ethical business conduct throughout the Group.

The Board has delegated specific responsibilities to Board Committees as well as various sub-committees to assist the Board in the running of the Group. The functions and terms of reference of the Board Committees as well as authority delegated by the Board to these Committees have been clearly defined by the Board.

2.5 Matters Reserved for the Board

The matters of strategic importance to the Group or the Company which are reviewed, discussed, deliberated and approved at the Board level include the following:

(a) business and operating plan and strategies;

(b) material acquisitions and disposals of undertakings of assets;

(c) related party transactions of a material nature;

(d) new ventures and corporate restructuring;

(e) internal and external audit plans;

(f) risk management framework and significant governance matters;

(g) material anti-bribery and corruption matters and whistleblowing cases involving senior management or Directors; and

(h) corporate guarantees and parental guarantees.

2.6 Separation of Positions of Chairman and Chief Executive Officer ("CEO")

It is recommended that the positions of Chairman and CEO should be held by different individuals to ensure there is a balance of power and authority.

The roles of the Chairman and CEO are distinct and separate with clearly defined responsibilities.

The key roles and responsibilities of the CEO include the following:

(a) planning, directing and overseeing the Company's operational policies, initiatives and goals;

(b) implementing short-term and long-term strategies approved by the Board;

(c) overseeing the Group's operations and business development activities;

(d) ensuring effective implementation of governance, risk management and internal control systems;

(e) ensuring compliance with applicable laws, regulations and internal policies;

(f) promoting ethical business conduct and anti-bribery and corruption compliance throughout the Group; and

(g) preparing and submitting annual operational budgets and reporting accurately on operational performance.

2.7 Board Committees

The Board may delegate specific responsibilities to Board Committees and sub-committees to assist the Board in the running of the Group.

The functions and terms of reference of the following Committees have been clearly defined by the Board:

(a) Nomination Committee;
(b) Remuneration Committee;
(c) Audit & Risk Management Committee; and
(d) Corporate Governance Committee.

These Committees examine specific issues and report to the Board with their recommendations. The ultimate responsibility for decision-making lies with the Board.

2.8 Board Meetings

The Board shall meet at least once every quarter to consider all matters relating to the overall control, business performance and strategy of the Company.

Additional meetings will be convened when necessary.

The relevant reports, meeting agenda and Board papers shall be distributed to all Directors in advance of meetings to allow sufficient time for review and effective discussion.

All pertinent issues, decision and conclusions discussed at meetings shall be properly recorded.

2.9 Directors' Remuneration

The Remuneration Committee is responsible to assist the Board on fair remuneration practices in attracting, retaining and motivating Directors.

The Board will determine the level of remuneration paid to directors by taking into consideration the recommendations of the Remuneration Committee to ensure that the remuneration is linked to the level of responsibilities undertaken, performance and contribution to the effective functioning of the Board.

2.10 Directors' Training & Continuing Education

The Board encourages Directors to attend educational and training programmes to keep themselves abreast with the various issues facing the changing business environment within which the Group operates.

The Board and each director shall assess the training needs of Directors from time to time including in areas relating to governance, risk management, anti-bribery and corruption compliance and regulatory developments.

3. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

The Board shall strive to maintain high standards of transparency and accountability in its communication to shareholders, potential investors, analysts and other stakeholders.

3.1 Corporate Disclosure Policy

The Board has in place a Corporate Disclosure Policy in line with the Main Market Listing Requirements of Bursa Securities to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries.

3.2 Leverage on Information Technology for Effective Dissemination of Information

The Company's corporate website shall serve as a key communication channel for shareholders, investors and the public to obtain up-to-date information on the Group's activities, financial results, major strategic developments and governance matters.

3.3 Questions and Answer Session at the AGM

The AGM is the main forum for dialogue with shareholders. The Board shall encourage shareholders to participate in the question and answer session at the AGM.

4. RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its overall responsibility for maintaining a sound internal control system for the Group to safeguard the shareholders' investment and the Group's assets and to discharge their stewardship responsibilities in identifying risks and ensuring the implementation of appropriate systems to manage such risks.

The Board must ensure there is an appropriate risk management and internal controls framework and processes in place to identify, evaluate and manage significant risks and weaknesses in internal controls that may affect the achievement of business objectives.

The Board shall oversee the adequacy and effectiveness of the Group's anti-bribery and corruption framework including periodic corruption risk assessments, whistleblowing mechanisms, employee awareness programmes and stakeholder due diligence processes.

The Board may delegate its review functions to Board Committees, including the Audit & Risk Management Committee. Nevertheless, the Board remains ultimately responsible for the Group's risk management and internal control systems.

5. SUSTAINABILITY

The Board together with Management shall be responsible for the governance of sustainability in the Company, including setting the Company's sustainability strategies, priorities and targets.

The Board shall take into account sustainability considerations when exercising its duties, including among others the development and implementation of Company strategies, business plans, major plans of action and risk management.

6. COMPANY SECRETARIES

The Company Secretaries shall advise the Board on governance matters, applicable laws, regulatory requirements and Board procedures.

The Board shall have unrestricted access to the advice and services of the Company Secretaries.

7. POLICY STATEMENT ON HEALTH, SAFETY AND ENVIRONMENT

The Board considers the protection of health, safety and environment for all employees, suppliers, customers and the community to be of primary importance.

The Group shall endeavour to:

(a) provide adequate control of health and safety risks arising from work activities;

(b) prevent accidents and work-related ill health;

(c) ensure proper reporting and investigation of accidents and incidents;

(d) create a culture of safe, healthy and environmentally responsible work practices; and

(e) maintain a workplace free from substance abuse and unsafe conduct.

8. ETHICAL STANDARDS AND CODE OF CONDUCT

The Code of Conduct and Ethics sets out the standards of conduct and principles to guide Directors and employees.

Directors and employees of the Group are expected to observe high standards of integrity and fair dealings in relation to customers, staff, regulators and stakeholders.

The Board has formalised a whistleblower policy to provide a safe, accessible and confidential reporting mechanisms for any person to raise concerns regarding actual or potential fraud, corruption, misconduct, unethical conduct or breach of trust involving employees, Management, Directors or stakeholders of the Group.

The identity of the whistleblower shall be kept confidential and protection shall be accorded against retaliation or reprisal.

8.1 Insider Trading

Directors and employees who have access to confidential information are prohibited from using or disclosing such information for securities trading or personal advantage.

8.2 Conflict of Interest

Directors shall avoid situations involving actual or potential conflicts of interest and shall comply with all applicable disclosure requirements under the Companies Act 2016 and Bursa Malaysia Listing Requirements.

8.3 Bribes and Corruption

No Director, employee or person acting on behalf of the Group shall offer, solicit, give or receive, directly or indirectly, any form of bribe or improper benefit in order to improperly influence business decisions or obtain business or personal advantage.

The Group shall maintain appropriate anti-bribery and corruption policies, procedures, awareness programmes and due diligence measures to prevent corrupt practices within the Group and amongst its business associates.

8.4 Protection of Assets and Funds

Directors and employees shall protect the assets and funds of the Group and ensure that such assets are used only for legitimate business purposes.

8.5 Business Records and Control

All books, records and accounts shall be prepared and maintained accurately and in compliance with applicable accounting standards and laws.

8.6 Compliance with the Law

The Group shall comply with all applicable laws, rules and regulations including the Companies Act 2016, Malaysian Anti-Corruption Commission Act 2009, Personal Data Protection Act 2010, Competition Act 2010 and other applicable regulatory requirements.

The Group reserves the right to report any actions or activities suspected of being criminal in nature to the police or other relevant authorities.

8.7 Waivers of the Code of Conduct and **Ethics**

Any waiver of the Code of Conduct and Ethics may only be approved by the Board or the Audit & Risk Management Committee.

8.8 Contact Person for Concerns

Any concerns or queries may be directed to the Company’s registered address or designated reporting channels.

9. REVIEW OF THE BOARD CHARTER

The Board will monitor compliance with this Board Charter and review the Charter periodically to ensure that it remains relevant, appropriate and consistent with applicable laws, governance standards and the operational requirements of the Group.

Any amendment to this Board Charter shall be approved by the Board.