

HHRG BERHAD
Company No. 201101041555 (969678-D)
(Incorporated in Malaysia)

BOARD CHARTER

1. PURPOSE

The Board Charter sets out the principal duties, responsibilities and functions of the Board of Directors of **HHRG** Berhad (“HHRG” or “Company”) in accordance with the principles or good corporate governance set out in the policy documents and guidelines issued by the regulatory authorities.

2. OBJECTIVES

The Board of Directors takes full responsibility for the overall performance of the Company and its Group and its obligations to the Company’s shareholders and stakeholders.

The objectives of the Board Charter are 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.

3. BOARD OF DIRECTORS

3.1. ROLES AND RESPONSIBILITIES

The principal Roles and Responsibilities of the Board are to:

1. Review and approve the annual corporate plans which include the overall corporate strategy amongst others and to monitor the implementation of such plans by the Management.
2. Review and approve strategic initiatives including corporate business restructuring or streamlining and strategic alliances.
3. Identify principal risks of the Group and to ensure the implementation of appropriate internal control system and mitigation measures.
4. Approve the nomination, selection, succession policies and remuneration packages for the Board members, Board Committee members, Executive Chairman and the Chief Executive Officer (“CEO”) including the implementation of appropriate systems for recruiting, training and determining the appropriate compensation benefits.
5. Oversee the implementation of a shareholders’ communication policy and investors’ relations program for the Company, to enable effective communications with its shareholders and stakeholders.

6. Review the adequacy and integrity of the Group's internal control systems and management information systems and to ensure regulatory compliance with applicable laws, regulations, rules and guidelines.
7. Oversee that both safety and security risks are managed effectively to ensure protection of personnel, information and other assets; and
8. The Board delegates certain responsibilities to the various Board Committees with clearly defined terms of reference to assist the Board in the discharge of its responsibilities.

3.2. POWERS AND AUTHORITY

1. The Board may exercise all such powers of the Company and do all such acts on behalf of the Company in managing the business within the scope of the Company's Memorandum and Articles of Association and of the Companies Act, 1965 and their subsequent amendments thereto.
2. The Board is to establish written procedures in determining the relevant issues which require the decision of the Board and issues which can be delegated to the Board Committees or to the Management.
3. The Board delegates the day-to-day management of the Company business to the management, but reserves for its full decision-making on the following matters:
 - a. Corporate strategies;
 - b. Annual budgets;
 - c. Risk Management policies;
 - d. Financial results approval;
 - e. Dividend policy;
 - f. Treasury policies;
 - g. Authority limits;
 - h. Major capital expenditure and acquisitions and disposal of assets which are not in the ordinary course of business of the Group;
 - i. Conflict of interest issues relating to a substantial shareholder or a Director; and
 - j. Any other issues which may be decided by the Board from time to time.

4. ROLE OF EXECUTIVE CHAIRMAN

The Executive Chairman is responsible for:

1. Chairing Board meetings and ensures the following:
 - All relevant issues are on the agenda.
 - Board debates strategic and critical issues.
 - Board receives the necessary management reports on a timely basis.
 - Accurate, timely and clear information are provided to members of the Board.
2. Providing leadership to the Board and is responsible for the developmental needs of the Board.
3. Chairing shareholders' meetings and ensuring effective communication with shareholders and stakeholders.

4. Facilitating the effective contribution of non-executive directors and ensuring constructive relations between the executive and non-executive directors.
5. Acting on the results of board performance evaluation by recognizing the strength and addressing the weaknesses of the Board.

5. ROLE OF CHIEF EXECUTIVE OFFICER (CEO)

The CEO is responsible for:

1. Ensuring the implementation of the policies, strategies and decisions adopted by the Board.
2. The day-to-day management of the Company's operations and shall adhere to the guidelines and instructions provided by the Board.
3. Ensuring that the Company's financial statements are prepared in accordance with legislation and regulations.
4. Keeping the Board well informed of salient aspects and issues concerning the Company's operations and ensuring that adequate management reports are submitted to Board members.

The Board can request the CEO to provide the Board with a detail account of issues as requested by the Board as a whole or by individual Board members.

6. BOARD MEETINGS AND PROCEDURES

The Board shall meet at least 4 times a year and has a formal schedule of matters reserved for the Board to decide.

The proceedings of Board meetings shall be governed by the provisions of the Articles of Association of the Company regulating the proceedings of Board meetings.

Together with the Executive Chairman, the CEO is responsible for the appropriate preparation and documentation of issues to be dealt with by the Board. The Board documentation shall contain sufficient information to provide the Board members with an adequate basis to deliberate and reach a decision on the issue in question.

7. BOARD COMMITTEES

The Board may delegate responsibilities for specific matters to the Board Committees to assist in the discharge of its responsibilities. The Board Committees report and make recommendations to the Board who is ultimately responsible for all decision making.

The current Board Committees of HHRG are:

1. Audit and Risk Management Committee; and
2. Nomination and Remuneration Committee.

Each Board Committee has its own Terms of Reference approved by the Board and are periodically reviewed by the Board.

8. DECLARATION OF INTEREST/CONFLICT OF INTEREST

A Director, who is in any way, whether directly or indirectly interested in a contract or proposed contract with the Company shall declare the nature of his interests in accordance with the provisions of the Companies Act, 1965 and shall excuse himself from Board discussions and deliberations and voting in respect of these resolutions/interests.

9. DIRECTORS' TRAINING

All Directors are required to attend the Mandatory Accreditation Program in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad.

The Board, via the Nomination Committee, will assess the training needs of the Directors and the Directors are expected to undertake any necessary professional education or training program to enable them to discharge their duties as a Director of the Company.

10. ACCESS TO INFORMATION AND ADVICE

The Board members have access to all information pertaining to the Company and Management shall supply accurate and complete information to the board in a timely manner to enable the Board to discharge its duties effectively.

All Directors have access to the advice and services of the Company Secretary.

A Director is entitled to seek independent professional advice, including but not limited to legal, accounting and financial, either collectively or individually as may be considered necessary in furtherance of their duties and responsibilities at the expense of the Company.

11. FINANCIAL REPORTING

The Board is responsible for reviewing the Management's draft of the financial statements. The Company aims to present a clear and fair assessment of the Company's financial position and future prospects in respect of all quarterly results, annual financial statements and announcements issued by the Company within the stipulated timeframe.

The Board is assisted by the Audit Committee who helps to scrutinize information to ensure disclosures are made accurately and adequately on a timely basis.

12. SHAREHOLDERS COMMUNICATION POLICY

The Board ensures timely release of financial results and various announcements to provide shareholders with an overview of the Company's performance, corporate strategies and other matters affecting the interests of shareholders.

The Board shall prepare issues to be dealt with at shareholders' meetings and use the shareholders' meetings to communicate effectively with its shareholders, stakeholders and the public in general.

The Board maintains appropriate corporate disclosure policies and procedures which are in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad.

13. REVIEW OF THE BOARD CHARTER

The Board shall review the Board Charter at least once in every financial year and to make any necessary amendments as and when the Board deems necessary.