



## **BOARD CHARTER**

### **1. INTRODUCTION**

1.1 The Directors of IVORY PROPERTIES GROUP BERHAD (“Ivory”) regard Corporate Governance as vitally important to the success of Ivory's business and are unreservedly committed to applying the principles necessary to ensure that the following principles of good governance are practised in all of its business dealings in respect of its shareholders and relevant stakeholders:

- The Board is the focal point of the Company's Corporate Governance system. It is ultimately accountable and responsible for the performance and affairs of the Company.
- All Board members are expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.
- All Board members are responsible to the Company for achieving a high level of good governance.
- This Board Charter shall constitute, and form, an integral part of each Director's duties and responsibilities.

The Charter serves as a reference point for Board activities and should not be construed as a blueprint for Board operations. It is aimed to provide guidance for the Board and Management vis a vis the role of the Board and its Committees, the requirements of the Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as the Board's present practices.

This Charter does not overrule or pre-empt the statutory requirements of Directors as enshrined in the Companies Act, 2016 and other relevant statutes, including the conduct of the Board as stipulated in the Articles of Association which is the Constitution of the Company. To the extent of any conflict between the terms of this Charter and a Constitution, that Constitution prevails.

### **2. OBJECTIVES**

2.1 The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good Corporate Governance are applied in all their dealings in respect, and on behalf of, the Company.

### **3. THE BOARD**

#### **3.1 Role, Duties and Responsibilities**

3.1.1 The Board is charged with leading and managing the Company in an effective and responsible manner. Each Director has a legal duty to act in the best interest of the Company. The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders for the manner in which the affairs of the Company are managed.

3.1.2 Duties of the Board include establishing the corporate vision and mission, as well as the philosophy of the Company, setting the aims of the Management and monitoring the performance of the Management.

3.1.3 The principal responsibilities of the Board include the following:

- a) Reviewing and adopting a strategic plan and direction for the Group;
- b) Overseeing the proper conduct of the Group's business;
- c) Reviewing and approving new investments and divestments, joint ventures and other corporate exercises including raising or restructuring of equity or debt capital;
- d) Review and approve financial results
- e) Approve the appointment of new Directors including the Company Secretary
- f) Approval of capital expenditure;
- g) Consideration of significant financial matters;
- h) Review of the financial and operating performance of the Group;
- i) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures to manage risks;
- j) Establishing a succession plan;
- k) developing investor relations programme;
- l) Reviewing the adequacy and integrity of the internal control systems and management information systems; and
- m) Establishing goals for management and monitoring the achievement of these goals.

The day to day management of the Group will be in the hands of the Chief Executive Officer ("CEO") and the management of the Group.

3.1.5 All concerns regarding the Group can be conveyed to any one of the Directors.

- 3.1.6 The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations.
- 3.1.7 The Independent Directors help to 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.
- 3.1.8 The views of the Independent Directors should carry significant weight in the Board's decision-making process.

## **3.2 Appointments**

- 3.2.1 The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nominating Committee.
- 3.2.2 New Directors are expected to have such expertise and skills so as to qualify them to make a positive contribution to the Board's performance of its duties and to give sufficient time and attention to the affairs of the Company.
- 3.2.3 The Company Secretary ensures that relevant procedures relating to the appointments of new Directors are properly executed.
- 3.2.4 In addition to the Mandatory Accreditation Programme as required by Bursa Securities, the Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes.

The Board and the Nominating Committee shall assess the training needs of the Directors from time to time and the Company facilitates the organisation of training programmes for Directors. A record of the trainings attended by the Directors shall be maintained by the Company and shall be disclosed in the Annual Report.

- 3.2.5 The directorships held by any Board member at any one time shall not exceed five (5) in listed companies.

## **3.3 Board Meetings**

- 3.3.1 The Board meets at least once every financial quarter with additional matters resolved by way of written resolutions and convening of additional meetings as and when the need arises.
- 3.3.2 Board Meetings for the whole year are scheduled ahead towards the end of each calendar year to enable the Directors to plan and adjust their schedule to ensure good attendance and the expected degree of attention given to the Board agenda.
- 3.3.3 Board members will use their best endeavours to attend Board Meetings and to prepare themselves thoroughly. Board members are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their knowledge, skills and abilities to the Board table.

- 3.3.4 Board members who are unable to attend Board Meetings shall advise the Company, CEO and/or the Company Secretary of the same.
- 3.3.5 The quorum necessary for the transaction of business of the Directors may be fixed by the Directors and unless so fixed at any other number, shall be 2. A person who holds office only as an alternate director, shall if his appointor is not present, be counted in the quorum.
- 3.3.6 Members of the management team and external advisors are invited as and when required to attend the meetings of Board of Directors and Committees to present and advise the members with information and clarification on items in the agenda to enable them to arrive at a considered decision.
- 3.3.7 All proceedings from the Board meetings are recorded and the minutes thereof signed by the Chairman of the meeting. Minutes of all Board Meetings are circulated to the Directors.

### **3.4 Composition and Board Balance**

- 3.4.1 The number of Directors shall be not less than 2 but not more than 15 as set out in the Company's Articles of Association ("Company's Constitution").
- 3.4.2 The Board shall consist of qualified individuals with diverse experiences, backgrounds and perspectives. The composition and size of the Board shall be such that it facilitates the making of informed and critical decisions.
- 3.4.3 At any one time, at least two (2) or one-third (1/3) of the Board of Directors, whichever is higher, are Independent Directors.
- 3.4.4 Profiles of Board members are included in the Annual Report of the Company.
- 3.4.5 The CEO and the Executive Directors are the "Executive" Directors on the Board. However, the views of the Management are represented at meetings of the Board by the presence of senior executives when required.
- 3.4.6 The tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the 9 years, an independent director may continue to serve on the Board subject to the director's re-designation to non-independent director. In the event that the director is retained as an independent director after 9 years, the Board must justify and seek prior shareholders' approval.

### **3.5 Re-election**

- 3.5.1 At least one-third of the Board is subject to retirement by rotation at each AGM and all Directors shall retire from office once at least in each three (3) years. A retiring Director is eligible for re-appointment.

### **3.6 Supply of Information**

- 3.6.1 All Directors are supplied with full and timely information with Board papers distributed in advance of meetings in order for the Directors to be properly briefed and to allow the Directors time to deliberate on issues to be raised and discussed at each meeting. Information given is inclusive of agenda and reports relevant to

the issues of the meeting covering areas of financial, operational and regulatory compliance matters:

- 3.6.2 The Company Secretary is present at Board Meetings to record its deliberations, issues discussed and conclusions in discharging her duties and responsibilities and also advises on issues relating to the relevant rules and regulations that govern the Company. All Directors have access to the advice and services of the Company Secretaries.
- 3.6.3 The Board of Directors, whether as a full board or in their individual capacity, may seek independent professional advice if required, relating to the affairs of the Group or to his responsibilities as a Director, at the Company's expense provided that the Director justify the action that such advice is necessary for the discharge of his duties and responsibilities as a Director and for the benefits of the Group and prior approval from the Board is obtained.

### **3.7 Conflict of Interest**

- 3.7.1 Board members are required to inform the Board of conflicts or potential conflicts of interest they may have in relation to particular items of business transacted by the Group.
- 3.7.2 Board members are required to disclose their shareholdings in the Company, other directorships, persons connected to them in accordance with the Companies Act, 2016 and any potential conflict of interests.
- 3.7.3 Board members should abstain themselves from discussion or decisions on matters in which they have a conflicting interest. They may also be required to leave the boardroom or meeting room during the discussion or decision making by the Board on matters in which the interested Directors have a conflicting interest.

### **3.8 Board Evaluation and Performance**

- 3.8.1 Each Director evaluates the performance of the Board as a whole and undertakes an assessment of its Independent Directors on an annual basis.
- 3.8.2 Questionnaires are distributed and the responses will be collected and summarised by the Company Secretary on behalf of the Nominating Committee. The Nominating Committee upon discussion of the results will present the findings and make recommendations to the Board.
- 3.8.3 The Board Committees shall also be reviewed regularly by the Board to ascertain their performance and effectiveness.

## **4. CHAIRMAN AND CEO**

- 4.1 The Company aims to ensure a balance of power and authority between the Chairman and the CEO with a clear division of responsibility between the running of the Board and the Company's business respectively. The roles of the Chairman and CEO are distinct, separate and held by different individuals. The role of the Chairman shall be held by a Non-Executive Director.

- 4.2 The Chairman is responsible for:
- providing leadership to the Board and ensure that it is effective in its role and governance of the Board
  - overseeing the effective discharge of the Board's supervisory role
  - facilitating the effective contribution of all directors and constructive relationships between Directors and between Board members and the Management
  - chair the orderly conduct of meetings
- 4.3 The CEO is responsible for:
- execution of strategic business direction, plans and policies of the Group and delegate decision making and responsibilities accordingly
  - daily operations, control and management of the Group
  - overseeing operational matters and bringing material matters to the attention of the Board in an accurate and timely manner
  - ensuring that the assets of the Group are adequately maintained and protected, and not unnecessarily placed at risk. The Group must be operated with a comprehensive system of internal control, and assets or funds must not be received, processed or disbursed without controls that, as a minimum are sufficient to meet standards consistent with the Company's risk management policies and processes that are acceptable to the Company's external auditors. In managing the risks of the Company, the CEO is expected not to cause or permit anyone to substitute their own risk preferences for those of the shareholders as a whole
  - ensuring that the Board members are properly briefed on issues arising at Board Meetings and that all available information on an issue is tabled before the Board, for deliberation
- 4.4 The Independent Non-Executive Directors provides unbiased and independent views, advice and judgment on various issues. Their active participation plays a pivotal role to ensure corporate accountability and a balanced and fair deliberation process to safeguard the interests of the Company's stakeholders.
- 4.5 The Board, as a whole, is ultimately responsible for the decision made on all matters affecting the businesses of the Group.
- 4.6 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall be entitled to a casting vote in addition to any other vote he may have.

## 5. **BOARD COMMITTEES**

- 5.1 The Board delegates certain of its governance responsibilities to various committees such as the Audit Committee, Remuneration Committee and Nominating Committee which operate within defined terms of reference that has been drawn up in accordance with the best practices prescribed by the Malaysian Code on Corporate Governance. The Board is authorised to form such other committees when it is necessary to facilitate efficient decision-making to assist the Board in the execution of its duties, powers and authorities.
- 5.2 The Committees function to primarily assist the Board in the execution of its duties and responsibilities in order to enhance business and operational efficiency as

well as efficacy. The Chairman of the various committees will report to the Board on the outcome of the Committees' meetings and the minutes of meetings are circulated to the Board.

5.3 Independent and Non-Executive Directors play a leading role in these Committees. The Management and third parties are co-opted to the Committees as and when required. Details of the membership and a summary of the terms of reference of each Committee appointed by the Board are published in the Annual Report.

5.4 The Board retains full responsibility for the direction and control of the Company and the Group. The ultimate decision on all matters lies within the Board as a whole.

## **5.5 Audit Committee**

5.5.1 The Members shall be appointed by the Board of Directors and shall consist of not less than 3 Members, comprising wholly of Non-Executive Directors of whom majority are Independent Directors.

5.5.2 No alternate Director can be appointed as member of the Audit Committee.

5.5.3 The Audit Committee will elect an Independent Director from amongst them as its Chairman.

5.5.4 The Audit Committee operates within defined terms of reference that is drawn up in accordance with the best practices prescribed by the Malaysian Code on Corporate Governance.

5.5.5 The Audit Committee shall meet at least 4 times a year to carry out its functions. Additional meetings will be called whenever necessary. The Audit Committee is also responsible for recommending the person or persons to be nominated to act as the external and internal Auditors and the fees and terms of engagement of the external and internal Auditor.

5.5.6 The CEO, Chief Financial Officer, other management staff and other Board members may attend the meetings at the invitation of the Audit Committee.

## **5.6 Nominating Committee**

5.6.1 The Nominating Committee comprises exclusively of Non-Executive Directors and a majority of whom are Independent Directors.

5.6.2 The Nominating Committee will elect an Independent Director from amongst them as its Chairman.

5.6.3 The Nominating Committee operates within defined terms of reference that is drawn up in accordance with the best practices prescribed by the Malaysian Code on Corporate Governance.

5.6.4 The Committee meets at least once a year. Additional meetings are convened as and when the need arises.

## **5.7 Remuneration Committee**

- 5.7.1 The Remuneration Committee comprises wholly or mainly Non-Executive Directors.
- 5.7.2 The Remuneration Committee will elect an Independent Non-Executive Director from amongst them as its Chairman.
- 5.7.3 The Remuneration Committee operates within defined terms of reference that is drawn up in accordance with the best practices prescribed by the Malaysian Code on Corporate Governance.

## **6. REMUNERATION LEVELS OF DIRECTORS**

- 6.1 The policy practiced on Directors' remuneration by the Remuneration Committee is to provide appropriate remuneration packages based on market standard and trend, sustained individual performance, competencies, contributions, experience, job responsibilities and the group's performance against financial objectives. It is also a practice of the Remuneration Committee to provide remuneration packages necessary to attract, retain and motivate Directors of the quality required to manage the businesses of the Group and to align the interest of the Directors with those of the shareholders. Due consideration is also given to comparable positions among other similar Malaysian public listed companies.
- 6.2 All Non-Executive Directors are paid fixed annual fees which are determined by the Board as a whole. In addition to the fixed annual fees, all Non-Executive Directors are paid meeting allowances for attending meetings.
- 6.3 The Executive Directors do not participate directly in any way in determining their individual remuneration. The Board as a whole determines the remuneration of Non-Executive Directors with individual Directors abstaining from decisions in respect of their individual remuneration.
- 6.4 A summarised disclosure is made in the Annual Report on the remuneration of Directors.

## **7. FINANCIAL REPORTING**

### **7.1 Transparency**

- 7.1.1 The Company aims to present a clear, balanced and comprehensive assessment of the Group's financial position and future prospects that extends to the interim and price-sensitive information and other relevant reports submitted to regulators.
- 7.1.2 The Directors ensure that the financial statements are prepared so as to give a true and fair view of the current financial status of the Group in accordance with the approved accounting standards.
- 7.1.3 The Company's practice is to announce to Bursa Securities its quarterly financial results as early as possible within two (2) months after the end of each quarterly financial period.

- 7.1.4 The Auditors Report shall contain a statement from the Auditors explaining their responsibility in forming an independent opinion, based on their audit, of the financial statements.

## **7.2 Company Auditors**

- 7.2.1 The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company's Auditors through its Audit Committee.
- 7.2.2 The Audit Committee also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company Auditors. The Company ensures that the Company Auditors do not supply a substantial volume of non-audit services to the Company but in the event that the fees for non-audit services is substantial compared with the audit fees, the nature of the non-audit services rendered shall be disclosed in the Annual Report
- 7.2.3 The Audit Committee will undertake an annual assessment of the suitability and independence of the external auditors and recommend their re-appointment to the Board.
- 7.2.4 Appointment and re-appointment of the Company Auditors is subject to approval of shareholders at General Meetings. The Company Auditors have to retire during the AGM every year and be re-appointed by shareholders for the ensuing year.

## **7.3 Internal Controls and Risk Management**

- 7.3.1 The Board is responsible for the total process of risk management and has endorsed an on-going risk management and internal control framework which is applied continuously through the financial year to determine, evaluate and manage the significant risks of the Group.
- 7.3.2 The internal audit function, is outsourced to a professional firm of chartered accountants. The internal auditor reviews aspects of the Group's activities, risk management and internal controls in accordance with an annual audit plan approved by the Audit Committee. Audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries are undertaken on a regular basis. The outsourced internal audit service provider has direct access to the Board through the Chairman of the Audit Committee.
- 7.3.3 The Board ensures the system of internal controls and risk management is reviewed on a regular basis.
- 7.3.4 The Audit Committee receives reports regarding the outcome of such reviews on a regular basis.

## **8. GENERAL MEETINGS**

### **8.1 Annual General Meeting (AGM) and Extraordinary General Meeting (EGM)**

- 8.1.1 The Company regards the AGM and EGM as important events in the corporate calendar of which all Directors and key senior executives should attend.
- 8.1.2 The Company regards the AGM and EGM as the principal forum for dialogues with shareholders and aims to ensure that the AGM and EGM provide important opportunities for effective communication with, and constructive feedback from, the Company's shareholders. The AGM and EGM also allow the Board to provide an overview of the Group's progress.
- 8.1.3 All resolutions set out in the notice of general meetings, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, will be voted by poll.
- 8.1.4 The Chairman and, where appropriate, the CEO and/or senior key executives responds to shareholders' queries during the meeting. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.

## **9. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION**

- 9.1 The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.
- 9.2 The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.
- 9.3 The Company conducts dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.
- 9.4 A meeting with the press may be held after each General Meeting. The CEO or key senior management staff will give a press release stating the Company's financial results, their prospects and outline any specific event for notation.
- 9.5 The Company's website provides easy access to corporate information pertaining to the Group and its activities. The Company will publish a summary of the key matters discussed at the Company's AGM as soon as practicable after the conclusion of the AGM for the benefit of shareholders who were unable to attend the AGM.

## **10. RELATIONSHIP WITH OTHER STAKEHOLDERS**

### **10.1 Needs and Interest of other Stakeholders**

In the course of pursuing the goals of the Company, the Board recognises that no Company can exist by maximising shareholders value alone. In this regards, the needs and interests of other stakeholders are also taken into consideration.

## **10.2 Employees**

- 10.2.1 The Board acknowledges that the employees are invaluable assets of the Group and play a vital role in achieving the goals of the Group.
- 10.2.2 The Company adopts comprehensive and documented policies and procedures with respect to the following:
  - a) Occupational safety and health with the objective of providing a safe and healthy working environment for all employees; and
  - b) Industrial relations with the objective of managing employees' welfare and well-being in the workplace.

## **10.3 Environment**

- 10.3.1 The Board acknowledges the need to safeguard and minimise the impact to the environment in the course of achieving the Group's goals.
- 10.3.3 The Company supports initiatives on environmental issues.

## **10.4 Social Responsibility**

- 10.4.1 The Board acknowledges that the Group should play a vital role in contributing towards the welfare of the community in which it operates.
- 10.4.2 The Group supports charitable causes and initiatives on community development projects. Ivorycares, the charitable arm of the Group, extends its assistance in undertaking all charitable activities and projects for the needy.

## **10.5 Code of Conduct & Ethics**

- 10.5.1 The Board is committed to achieving and maintaining high standards with regards to behaviour at work. The Code of Conduct & Ethics and the Employees Handbook of the Group set out, the guiding principles which the Directors and employees shall not depart from in conducting their day to day duties and business operations.

## **11. COMPANY SECRETARY**

- 11.1 The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.
- 11.2 The Company Secretaries play advisory role to the Board with regards to its constitution, compliance with regulatory requirements, codes, guidance and legislations affecting the Company. The Company Secretaries are also responsible for the operation of the secretariat function, including lodgements of documents with relevant statutory and regulatory bodies and the administration of Board and Board Committee meetings.

11.3 The Board members have unlimited access to the professional advice and services of the Company Secretaries.

**12. APPLICATION**

12.1 The principles set out in this Charter are:

- a) kept under review and updated as practices on Corporate Governance develop and further guidelines on Corporate Governance are issued by the relevant regulatory authorities;
- b) summarised in the Annual Report as part of a narrative statement by the Directors on Corporate Governance.

12.2 Any updates to the principles and practices set out in this Charter will be made available on the Company's website.