



**WHITE HORSE**

**B E R H A D**

(455130-X)

(Incorporated in Malaysia)

## **BOARD CHARTER**

**< Adopted on 20 November 2013 >**



**White Horse Berhad  
Board Charter**

**BOARD OF DIRECTORS**

**CHARTER**

**Part 1: Definition**

**1.1 In this Charter:**

“Board” means the Board of Directors of the Company;

“Business” means the business of the Company;

“Chairman” means the executive chairman of the Board and is used in a gender neutral sense;

“Company” means White Horse Berhad (455130-X);

“Directors” means directors of the Company;

“Group” means the companies within White Horse Berhad;

“Management” means the management personnel of the Company;

“Managing Director” means the Managing Director of the Company;

“Secretary” means the Company Secretary or the person normally exercising the functions of a Company Secretary;

“Shareholders” means the shareholders of the Company.

“WHB” means White Horse Berhad (455130-X);



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### **Part 2: Introduction**

The Board of WHB recognises good Corporate Governance (“CG”) practices is essential to reinforce stakeholders’ confidence in WHB as its Board, which is vital to the success of WHB businesses.

The Board plays the role of stewards and guardians of the Company and are key to raising CG standards. To this end, a Board Charter has been developed and adopted by the Board.

### **Part 3: The Board**

#### **3.1 Roles and Responsibilities of the Board**

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 the shareholders and stakeholders for the manner in which the affairs of the Company are managed.

The Board has the following principal responsibilities, which facilitate the discharge of the Board’s stewardship in the pursuit of the best interest of the Company:

- Reviewing and approving the business plan and overall strategic directions;
- Overseeing the conduct of the Company’s business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing the remuneration of and where appropriate, replacing senior management of the Group;
- Developing and implementing an investor relations programme or shareholders communications policy for the Company;
- 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; and
- Ensuring that the Company has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate responsibility.



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### **3.2 Board Composition**

Unless otherwise determine by the Company in general meeting, the number of Directors including a Managing Director shall not be less than five (5) nor more than fifteen (15), but in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum, the continuing Directors or Director may, except in an emergency, act only for the purpose of filing up such vacancy or vacancies or of summoning a general meeting of the Company.

The Board consists of qualified individuals with diverse experiences, backgrounds and perspectives. At least two (2) or one-third (1/3), whichever is higher, of the Board members must be Independent Directors as required in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

### **3.3 Nomination and Appointment**

The Company's Memorandum and Articles of Association governs the regulations and proceedings of the Board. The Board, together with the Nomination Committee, determine the size and composition of the Board subject to the terms of the Company's Memorandum and Articles of Association.

The appointment of a new Director or Chief Executive Officer is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination Committee.

On the appointment of new Director, the new Director is required to commit sufficient time to attend to the Company's matters before accepting his appointment to the Board.

Directors are required to notify the Chairman before accepting any new Directorship and to indicate the time expected to be spent on the new appointment. The directorships held by any Board member at any one time shall not exceed five (5) in listed companies.

### **3.4 Independence of Directors**

The Board must comprise a majority of independent directors where the Chairman of the Board is not an independent director.

A director will be considered independent if he is free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of his independent judgement.

The tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board subject to the



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director's redesignation as a non-independent director. Otherwise, the Board must justify and seek shareholders' approval at General Meeting in the event it retains the director as an independent director.

The Board to undertake an assessment of its independent directors annually focusing beyond the independent director's background, economic and family relationships and considering whether the independent director can continue to bring independent and objective judgment to board deliberations.

### **3.5 Board Committees**

The Board has established the following Committees of the Board, each with clearly defined Term of Reference ("TOR") in order to enhance business and corporate efficiency and effectiveness:-

- (a) Audit Committee;
- (b) Nomination Committee; and
- (c) Remuneration Committee.

The Board Committees undertake in-depth deliberation of the issues at hand before tabling its recommendations thereon to the Board.

Each Committee has an obligation to report on its meetings to the Board and minutes of all Committee Meetings are made available to all Directors.

The Management and third parties are co-opted to the Committees as and when required.

The Board may also delegate specific functions to ad hoc committees as and when required.

### **3.6 Role of Chairman of the Board**

The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role, co-ordinates the work of the Board and its committees and ensures that the Board members are provided with timely information relevant for performing their duties and responsibilities.

#### **3.6.1 Roles and responsibilities of Chairman**

The Chairman should undertake, amongst others, the following responsibilities:-

- Leading the Board in setting the values and standards of the Company;
- Ensure that guidelines and procedures are in place to govern the Board's operation and conduct;



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- Monitor the workings of the Board, especially the conduct of Board meetings;
- Ensure that all relevant issues for the effective running of the Company's business are on the agenda for Board meetings;
- Ensure quality information to facilitate decision-making is delivered to the Board members on a timely basis;
- Encourage all directors to play an active role in Board activities;
- Chair general meetings of shareholders; and
- Liaise with Managing Director and Company Secretary on the agenda for Board meetings.

The Chairman also acts as facilitator for meetings to ensure:-

- Adequacy of notice of Board meetings;
- Adequacy of information for Board meetings;
- No member dominates the discussion;
- Full discussion takes place;
- The variety of opinion among Board members is drawn out; and
- Endeavours to obtain consensus in the Board but may, when he feels necessary, call for a vote.

### **3.7 Managing Director ("MD")**

The MD is the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions.

The MD is responsible for the day-to-day management of the Company with all powers, discretions and delegations authorised, from time to time, by the Board.

#### **3.7.1 Roles and responsibilities of MD**

The MD reports to the Board on the following:

- All matters that materially affect the Company and its performance;
- Any underperforming businesses/activities of the Company and outline proposals to rectify the situation;
- All material matters that affect or could affect shareholders and the markets in which the shareholders' interests are traded;
- The effectiveness of the organization and its management against relevant benchmarks; and
- Review of succession planning for the Company, and ensure the systems thereof are in place.



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**Part 4: Board Procedures**

**4.1 Process and Procedure for Board Meetings**

The Board holds at least four (4) regular meetings per year. Additional meetings may be scheduled if necessary to discuss and resolve on urgent basis. Meetings are called with sufficient notice period.

Unless varied by the terms of reference, meetings and proceedings of the Board will be governed by the Company's Articles of Association.

Directors will use their best endeavours to attend Board meetings. Directors are expected to participate fully and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board. Directors who are unable to attend a meeting will advise the Chairman at the earliest date possible and notify/confirm his absence in writing to the Secretary.

The Board may invite external parties such as auditors (both internal and/or external auditors), solicitors or consultants as and when the need arises. Such invited parties may attend part or all of the Board Meeting at the discretion of the Board.

**4.2 Notice of Meeting, Agenda and Board Papers**

The Company Secretary prepares the notice of meeting and agenda for each meeting. The Company generally adopts the Company's Articles of Association for disseminating notice of meeting and agenda. The appropriate preparatory Board papers are sent to the Board members in advance of the meetings to allow adequate meeting preparation.

Minutes of all Board meetings are properly recorded in substantial detail and length, including issues discussed in arriving at decisions and the minutes shall be reviewed and approved by the members of the Board.

**Part 5: Directors' Remuneration**

The Board has adopted WHB's Group Remuneration Policy and the parent company's recommendations to set the remuneration of its Executive Directors. The compensation system takes into account the performance of each Executive Director and the competitive environment in which the Group operates. The Executive Directors are not and should not be taking part in deciding their own remuneration.

The remuneration of the Non-Executive Directors will be based on the experience and the level of responsibilities undertaken by them. The determination of the remuneration of the Non-Executive Directors shall be



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matter of the Board as a whole with the Director concerned abstaining from deliberation and voting in respect of his/her individual remuneration.

### **Part 6: Communication**

#### **6.1 Relationship with Management**

The Chairman acts as an informal link between the Board and Management.

The Chairman is expected to be kept informed by the Management of all important matters and make himself available to the Management:-

- to be part of the control mechanism in ensuring that the Management's decisions are properly considered;
- to give assistance and advice when needed; and
- to oversee the Management's establishment of adequate control mechanism to oversee compliance responsibilities and risk control.

#### **6.2 Relationship with Shareholders**

- The shareholders must be informed of all material business matters affecting the Company and the Board should adopt an open and transparent policy in respect of its relationship with its Shareholders and investors.
- The Board ensures timely release of financial results on a quarterly basis to provide the Shareholders with an overview of the Company's performance and operations.
- All relevant press releases should be vetted through by the MD and/or the Company Secretary to ensure that information that has yet to be released to Bursa Malaysia Securities Berhad is not released to the press beforehand.
- The Board maintains an ongoing communication programme to ensure that shareholders are appropriately informed of major developments within the Company on a timely basis.
- The Board ensures that the views of the majority shareholders are considered in its decision making. In addition, the minorities' interest should also be adequately protected.
- The Board should ensure the Company leverage on information technology for effective dissemination of information and the Company's websites to provide easy access to corporate



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information pertaining to the Company and its activities and is continuously updated.

### **Part 7: Application of Board Charter**

The Board endeavour to comply at all times with the principles and practices as set out in this Board Charter.

The Board will review this Board Charter from time to time and make any necessary amendments to ensure they remain consistent with the Board's objectives, current law and practices.

### **History of Board Charter**

<b>Date</b>	<b>Description</b>
20 November 2013	Approval of the Board Charter
23 February 2017	Review of the Board Charter

This Board Charter is approved and adopted by the Board of Directors of **WHITE HORSE BERHAD** and shall be effective from 20 November 2013.

This Board Charter is further reviewed by the Board of Directors of **WHITE HORSE BERHAD** on 23 February 2017.

Confirmed by,

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LIAO YUAN SHUN  
Chairman  
Signed for & on behalf of the  
Board of Directors of  
**WHITE HORSE BERHAD**