



POS MALAYSIA BERHAD
Registration No. 199101019653 (229990-M)
(Incorporated in Malaysia)

**BOARD CHARTER OF
POS MALAYSIA BERHAD**

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DEFINITIONS AND INTERPRETATION

In this Board Charter, where the context so admits the following expressions shall have the following meanings:

AGM	Annual General Meeting
BAC	Board Audit Committee
BDC	Board Digital-First Committee
BNRC	Board Nomination and Remuneration Committee
Board	Board of Directors of the Company
Board Committees	BAC, BDC, BNRC, BRSCC, BTC and any other Board Committees as may be established by the Board from time to time as it may deem fit and necessary
BRSCC	Board Risk, Sustainability and Compliance Committee
BTC	Board Tender Committee
Bursa Securities	Bursa Malaysia Securities Berhad
Business	Business of the Company and all its subsidiaries
CCM	Companies Commission of Malaysia
CG	Corporate Governance
Chairman	The Chairman of the Board and is used in a gender-neutral sense
Chief Level Officer	Members of the Senior Management Team of the Group
Company or Pos Malaysia	Pos Malaysia Berhad (Registration No. 199101019635 (229990-M))
Company Secretary(ies)	The Company secretary(ies) appointed by the Board
Constitution	The Constitution of the Company
Director	A member of the Board
GCEO	The Company's Group Chief Executive Officer

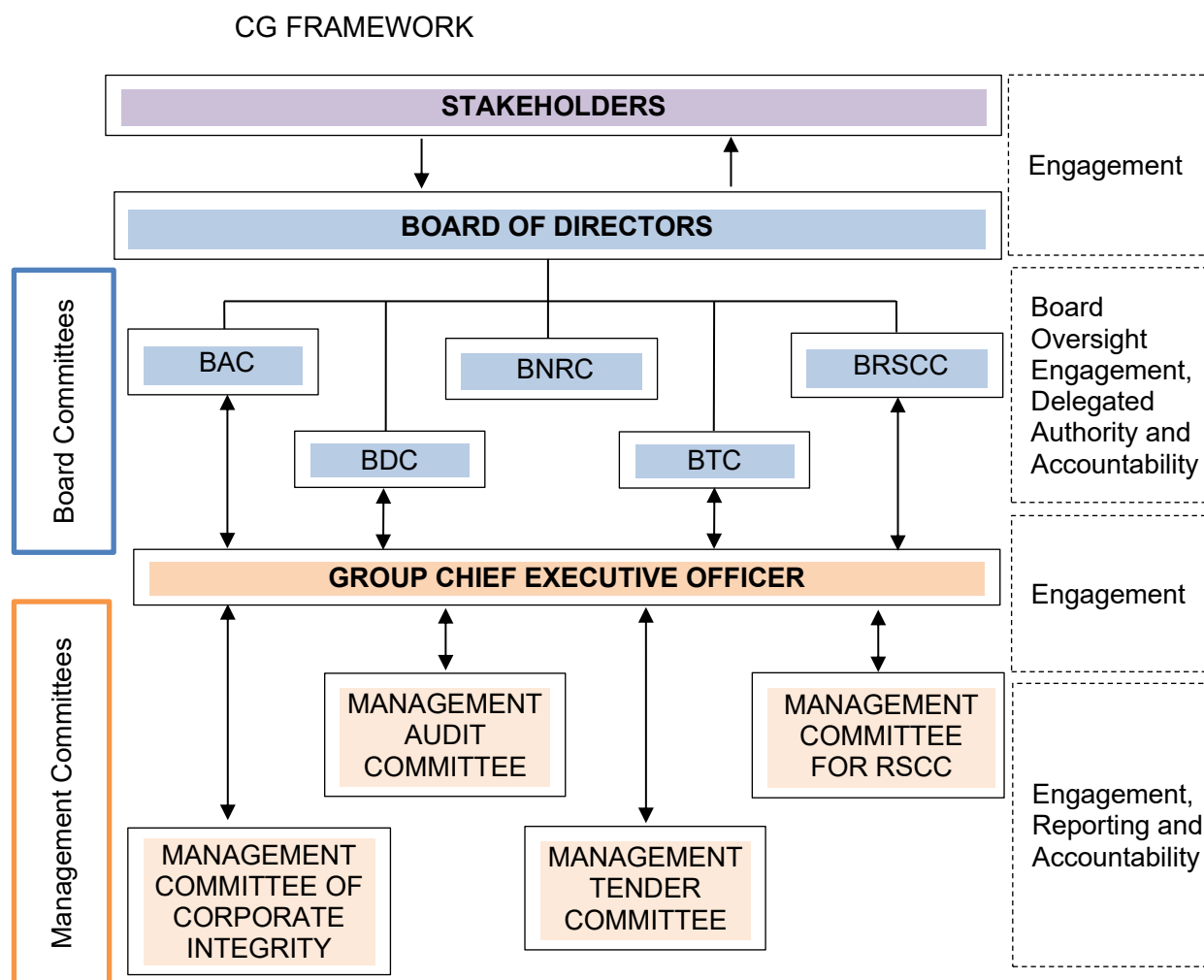
Group or Pos Malaysia Group	Pos Malaysia and all its subsidiaries
HR	Human Resources
Independent Director	As defined in the Bursa Securities Main Market Listing Requirements
Listing Requirements	Main Market Listing Requirements of Bursa Securities including any amendments that may be made from time to time
LOA	Limits of Authority
MCCG	Malaysian Code on Corporate Governance including any amendments that may be made from time to time thereto
MDA	Management Delegated Authority
RSCC	Risk, Sustainability and Compliance Committee
Senior Management	The Senior Management of the Group to be determined by the Company from time to time.
Shareholders	Shareholders of the Company
Special Shareholder	Minister of Finance (Incorporated)
TOR	Terms of Reference

1. INTRODUCTION AND PURPOSE OF BOARD CHARTER

- 1.1 The Board is responsible for the proper stewardship of Pos Malaysia Group and is entrusted with leading and overseeing the business of the Group, which includes optimising long-term financial returns and shareholder wealth creation.
- 1.2 The Board Charter aims to assist the Directors to better appreciate their roles and responsibilities, provide guidance including appropriate performance frameworks for measuring the performance of the Board as a whole as well as the contribution of each Director. It is hoped that with an appropriate understanding of its role and a framework for measuring performance, the Board will be better equipped to meet its responsibility of ensuring the long-term objectives of the Group are met.
- 1.3 This Board Charter is subject to the provisions of the Companies Act 2016, Constitution, Listing Requirements, the MCCG, Capital Markets and Services Act 2007 and any other applicable law or regulatory requirement.
- 1.4 This Board Charter is not an “all inclusive” document and should be read as a broad expression of principles and shall constitute and form an integral part part of each Director’s duties and responsibilities.
- 1.5 This Board Charter serves as a primary source of reference and primary induction literature to provide insights to the existing and prospective Directors and Management, assist the Directors in the performance of their fiduciary duties, safeguard the stakeholders’ interest and achieve sustainable long-term financial results, through effective oversight and maximisation of shareholders’ value.

2. CG FRAMEWORK

- 2.1 The Board has established a CG Framework for the Group, whereby specific powers of the Board are delegated to the respective Board Committees, GCEO and Management as depicted below:



- 2.2 The Group's CG Framework is a reflection of the way strategic and operational activities are managed, which is a clear indication that although the roles may be distinctly different but they are complementary in attaining the Group's core objectives.
- 2.3 This framework is supported by, amongst others, the Company's LOA and MDA, which set out the respective authority limits including those reserved for the Board's approval and those which the Board may delegate to the Board Committees, GCEO, Management Committees and Management.
- 2.4 The Company formulates strategies to optimise the Group's performance, both locally and regionally, at the consolidated level, while the core businesses retain the necessary autonomy to conduct their own operations, thus enabling the Board to take a broader perspective on issues affecting the Group, such as overall strategy, risk management and governance level.

- 2.5 In view of the diversity of the Group's businesses, the Boards at subsidiary level provide the appropriate level of dedicated oversight and focus on the core businesses of the respective divisions. Each Subsidiary's Board has representatives from the Management, to ensure clear, unambiguous oversight and to exercise a reasonable degree of supervision and control within the Group.
- 2.6 To facilitate the discharge of the Board's responsibility and oversight role, the Board is assisted by the Board Committees and the Management Committees, established with specific responsibilities to oversee the Group's affairs, with authority to act on behalf of the Board as mandated in their respective TOR.

3. OVERVIEW OF BOARD RESPONSIBILITIES

- 3.1 The Shareholders have delegated the stewardship to oversee the management of the business of the Group to the Directors and the Board on their behalf so as to protect and enhance long term shareholder value, and to meet the Group's obligations to all parties with which the Group interacts.
- 3.2 In doing so, the Board is empowered to ensure proper management of the Group, including optimising long-term financial returns towards shareholder wealth creation. The Board is responsible for ensuring that the Group is managed to achieve the said result.
- 3.3 In addition to fulfilling its obligation to increase shareholder value, the Board owes a responsibility to the Group's other stakeholders namely its customers, employees, suppliers, regulators and to the community as a whole where it operates, all of whom are fundamental to a successful business. All of these responsibilities, however, are founded upon the successful continuation of the business.
- 3.4 The principal responsibilities of the Board are as follows:-
- (i) Ensure that the Group's goals are clearly established and that a strategic plan is in place to achieve them, as well as setting expectations at the beginning of each financial year by which the Board's evaluation of its success would be benchmarked against;

- (ii) Establish policies for strengthening the performance of the Group including ensuring that Management proactively seeks to build the business through innovation, initiative, technology, new products and the development of its business capital;
- (iii) Adopt performance measures to monitor implementation and performance of the strategy, policies, plans, legal and fiduciary obligations that affect the business;
- (iv) Oversee the conduct of the Group's business to evaluate whether the business is being properly managed. This includes ensuring the solvency of the Group and the ability of the Group to meet its contractual obligations and to safeguard its assets;
- (v) Appoint the GCEO and any other person(s) of Chief Level Officer including setting the terms and conditions of service, business objectives and goals;
- (vi) Ensure the Group has appropriate business risk management processes, including adequate control environment be it the internal control systems or management information systems, systems for compliance with applicable laws, regulations, rules, directives and guidelines and controls in areas of significant financial and business risks;
- (vii) Appoint Board Committees to address specific issues, considering recommendations of the Board Committees and discuss problems and reservations arising from the Board Committees' deliberations;
- (viii) Ensure that the statutory accounts of the Group are fairly stated and otherwise conform with the relevant regulations and acceptable accounting policies;
- (ix) Ensure that an appropriate succession planning mechanism is in place for members of the Board and for Chief Level Officers;
- (x) Ensure that the Group adheres to high standards of ethics and corporate behaviour including transparency in the conduct of

business. Directors are required to comply with the Directors' Code of Conduct, which amongst others, include the declaration of any personal, professional or business interest, direct or indirect which may conflict with directors' responsibilities as a Board member and to refrain from voting on such transaction with the Group;

The Directors' Code of Conduct is attached herewith as **Appendix A**.

- (xi) Ensure that an appropriate public relations and communication programmes and an investor relation programme are in place; and
- (xii) Ensure that there is a schedule of matters reserved for collective decision of the Board.

The Schedule of Matters reserved for the collective decision of the Board are as listed in **Appendix B**.

3.5 In carrying out the principal responsibilities of the Board, each Director shall do the following:-

- (i) Attend all Board meetings but where attendance at meetings is not possible, ensure that appropriate steps are taken to obtain a leave of absence;
- (ii) Acquire knowledge about the business of the Group, the statutory and regulatory requirements affecting the effective discharge of their duties to the Group, and be aware of the physical, political and social environment in which the Group operates;
- (iii) Study in advance all information and documentary materials provided and be prepared to discuss their contents at Board meetings;
- (iv) Assist the Chairman in providing the Group with effective leadership;

- (v) Be available to advise Management between Board meetings as and when necessary;
- (vi) Participate actively and to effectively contribute to Board discussions towards meeting the duties and responsibilities of the Board as outlined herein and in the respective TOR of Board Committees (where applicable);
- (vii) Always be alert of potential conflicts of interest that may affect the performance of his or her fiduciary duty towards the Group and seek to avoid these potential conflicts wherever possible. Any interest, actual or perceived (direct or indirect) should be declared to the Board as soon as possible; and
- (viii) Act honestly, in good faith and in the best interest of the Group as a whole, using due care and diligence in fulfilling his or her responsibilities, and exercising the powers attached to that office.

3.6 Independent Directors

- 3.6.1 The Independent Directors do not participate and do not engage in the day-to-day management of the Company and any business transactions or other relationships with the Company, so as to ensure that they exercise independent view, judgment, advice and act in the best interest of the Company.
- 3.6.2 The element of independence fulfils a pivotal role in corporate accountability by ensuring a balanced and unbiased decision-making process and objectivity, without being subordinated to operational considerations.
- 3.6.3 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 considerations by the Board.

- 3.7 Directors should disclose/declare any conflict of interest situation and when in doubt, Directors should consult the Company Secretary for any clarification on responsibilities and duties of a Director and on any dealing from where a potential conflict of interest situation may arise.

4. BOARD STRUCTURE

4.1 Board Balance and Composition

- 4.1.1 The composition of the Board is to reflect the duties and responsibilities it has in discharging and performing its responsibilities. The composition of the Board shall reflect as much as possible or practicable, proportional representation of various investors in the Group. A Director is not required to hold any qualification share in the Company.
- 4.1.2 The Constitution of the Company provide for a minimum of two (2) and a maximum of twelve (12) Directors. Pursuant to the Listing Requirements, the Company must ensure that at least 2 Directors or 1/3 of the Board, whichever is the higher, are Independent Directors.
- 4.1.3 The rights of the Company's Special Shareholder are as stipulated in the Constitution.
- 4.1.4 As recommended under the MCCG, subject to paragraph 4.1.5, the tenure of an Independent Director of the Company should not exceed a cumulative term of nine (9) years. The nine-year period is calculated on a cumulative basis starting from the first day an Independent Director is appointed.
- 4.1.5 In the event the Board wishes to maintain the directorate of an Independent Director beyond the nine years limitation period, the Board must justify and seek specific Shareholders' approval on the matter at the Company's general meeting. If Shareholders' approval is not obtained, upon completion of the nine-year period, an Independent Director may still continue to serve on the Board but subject to him/her being re-designated as Non-Independent

Director. Independent Director who has serves the Board for a cumulative period of more than 12 years from the date of his first appointment as an Independent Director shall be redesignated as Non-Independent Director.

- 4.1.6 Directors shall not hold directorships in more than five (5) public listed companies at any one time subject to amendment(s) that may be made to this limitation by Bursa Securities from time to time. Before accepting any new directorship, a Director shall first notify the Chairman of the Board and the notification shall include an indication of time that the said Director will spend vis-a-vis the new appointment.

4.2 Board Diversity

- 4.2.1 The Board supports the gender boardroom diversity as recommended under the MCCG by taking various steps to ensure women candidates are considered as part of the recruitment exercise. Pos Malaysia recognises that advancing gender equality throughout business operations and value chains can tap better talent, higher productivity, better organizational effectiveness and overall corporate success.
- 4.2.2 The Board through the BNRC will review the appropriate proportion of female to male Directors on the Board at the time of considering appointment of new Directors to the Board. The selection criteria of a Director will be based on an effective blend of competencies, skills, extensive experience and knowledge necessary for the Board to discharge its responsibilities.
- 4.2.3 The BNRC shall take the following steps to ensure women participation on Boards despite not setting any target for Pos Malaysia-towards meeting the recommendation under the MCCG and to have at least one (1) woman Director on the Board pursuant to the Listing Requirements:-
- (i) Assess the appropriate mix of diversity including gender, ethnicity and age, candidates' skills, knowledge, expertise

and experience required on the Board and identify the existing gap, if any;

- (ii) Adhere to the recruitment procedures of Pos Malaysia and develop a list of candidates which shall always include diverse candidates and in any director search; Whenever reasonably possible, priority be given on the appointment of woman Director to fill a directorship vacated by a retiring or resigning woman Director.
- (iii) Interview and evaluate the candidates; thereafter, recommendation be made to the Board in relation to appointments by ensuring that an appropriate mix of diversity, skills, knowledge, expertise and experience on the Board shall be maintained from time to time;
- (iv) Review and assess the boardroom diversity on a regular basis. Any gap occurred in relation thereto shall be reported to the Board.

4.3 Appointments, Re-election and Vacation

4.3.1 Appointments

- (i) The appointment of a new Director is a matter for the Board. The BNRC in proposing new candidates to the Board will take into consideration the character, mixed of skills, competency, character, experience, integrity, time commitment required to discharge his/her role as Director includes diligence, honesty and judgement to perform the duties. The BNRC shall ensure that new candidates meet the criteria of the Fit and Proper Policy.
- (ii) The BNRC shall consider all the relevant factor based on the following criteria:
 - a) Character and Integrity - probity, honesty, personal integrity, financial integrity and reputation.

- b) Experience and Competence - qualifications, training and skills, relevant experience and expertise, relevant past performance or track record.
 - c) Time and Commitment - ability to discharge role having regard to other commitments, participation and contribution in the board or track record.
- (iii) Newly appointed Directors shall be briefed on the terms of their appointment, their duties and responsibilities. Copies of the following shall be provided to the newly appointed Director:-
 - a) this Board Charter including Directors' Code of Conduct;
 - b) the Constitution;
 - c) Latest Annual Report and audited financial statements of the Company;
 - d) Latest Strategic Plans and Annual Management Plan and business plan of the Company;
 - e) Organisation Chart;
 - f) Board Committees' composition and terms of reference;
 - g) Directors' & Senior Management's contact details; and
 - h) Yearly schedule of meetings for the Board and Board Committees Meetings.
- (iv) A Board induction session shall be conducted by Management to give the newly appointed Director an overview of the business and strategic plans of the Group.
- (v) All Directors are required to notify the Company Secretary of any new appointments to the boards of other public-listed companies and/or subsidiaries of public-listed companies outside the Group, as well as executive appointments to other companies, no later than 14 days from the date of the

said appointment, in order to update the records of the CCM, where applicable.

4.3.2 Re-election

- (i) All Directors are subject to retirement by rotation once at least in every three (3) years and the re-election will take place at each AGM.
- (ii) The directors to retire at the AGM shall be the Directors who have been longest in service.
- (iii) The screening and evaluation process, including the fit and proper assessment for the nomination of Directors seeking re-election at the AGM delegated to the BNRC.

4.3.3 Vacation

The office of the Director shall be vacated in accordance with but not limited to Pos Malaysia's Constitution, Listing Requirements and other regulatory requirements.

4.4 Role of Chairman

4.4.1 The roles of the Chairman and the GCEO shall be separated. The Chairman is responsible for representing the Board to the Shareholders and is responsible for ensuring the integrity and effectiveness of the governance process of the Board. The Chairman shall maintain regular dialogues with the GCEO over all pertinent matters and shall promptly consult with the Board over any matter that gives him or her any cause of concern pertaining to the Group.

4.4.2 The Chairman shall act as a facilitator at meetings of the Board to ensure that no Director, whether executive or non-executive, dominates discussions at Board meetings. He shall ensure that appropriate discussions take place and relevant opinions among Directors are forthcoming. The Chairman shall also ensure that discussions result in logical and understandable outcomes.

The key roles and responsibilities of the Chairman include the following:-

- (i) Provide governance in matters requiring corporate justice and integrity;
- (ii) Manage Board communication and Board effectiveness and effective supervision over Management;
- (iii) Create conditions for good decision making during Board and Shareholders meetings;
- (iv) Ensuring appropriate steps are taken to provide effective communication with shareholders and relevant stakeholders and that their views are communicated to the Board as a whole;
- (v) Ensure Board proceedings are in compliance with good conduct and practices, as well as encouraging active participation and allowing dissenting views to be expressed freely;
- (vi) Protect the interest and provide for (if permissible) the information needs of various Stakeholders;
- (vii) Maintain good contact and effective relationship with external parties, investing public, regulatory agencies and trade associations;
- (viii) Ensure that quality information to facilitate decision-making is delivered to the Board by Management in a timely manner; and
- (ix) Ensure compliance with all relevant regulations and legislations. In consultation with the GCEO and the Company Secretaries, setting the agenda for Board meetings and ensuring all relevant issues are on the agenda.

4.5 Board Committees

- 4.5.1 The Board may delegate its responsibilities for specified matters to individual Directors or Board Committees. Each Board Committee must be provided with written TOR which clearly state the extent and limits of their responsibilities and authority and whether they

can act on behalf of the Board, or to provide the necessary reporting to the Board.

4.5.2 The Board has established the following Board Committees:-

- (i) BAC
- (ii) BNRC
- (iii) BTC
- (iv) BRSCC
- (v) BDC

4.5.3 The TOR of the Board Committees states clearly the extent and limits of the Board Committees' responsibilities and authority, specifically whether they have authority to decide on behalf of the Board or to refer to the Board for approval.

4.5.4 The TOR of the Board Committees are subject to a review and revision, amendment or modification by the Board from time to time, in which case the most recently amended TOR of a Board Committee shall be the TOR that shall apply to the said Board Committee.

4.5.5 The TOR of the Board Committees are available on the Company's Corporate Website at [https://www.pos.com.my/corporate governance/terms-of-reference](https://www.pos.com.my/corporate-governance/terms-of-reference)

5. BOARD PROCEDURES

5.1 Board Meetings

The Board shall meet at regular intervals throughout the year. At each scheduled meeting, the Board shall consider at least once every quarter to facilitate the discharge of its responsibilities, where applicable:-

- (i) Operational report(s), the financial results and cash flow projections;
- (ii) Review the reports and recommendations of the BAC;

- (iii) Approve the quarterly announcement and quarterly financial statement to Shareholders and the public;
- (iv) Schedule of Matters which are reserved for the Board's collective decision;
- (v) Significant capital expenditure and acquisitions;
- (vi) Significant disposal of the Company/Group assets;
- (vii) Major issues or opportunities;
- (viii) Committee minutes/Board Circular Resolutions for notation;
- (ix) Changes in directorships and disclosure of interests;
- (x) Disclosure of dealings by Directors/Principal Officers;
- (xi) Summary of shares movement for substantial shareholders; and
- (xii) Any other matters requiring the Board's approval.

In addition, the Board shall, at periodic intervals of not more than one year:-

- (i) Review the Company's and the Group's objectives and goals;
- (ii) Review the strategies for achieving the stated goals;
- (iii) Approve the operational plan and budget;
- (iv) Consider and, if deem appropriate, declare or recommend payment(s) of dividends; and
- (v) Review/approve reports and recommendations from all the Board Committees.

5.2 Notice, Agenda and Board paper(s)

In order to allow sufficient time for Directors to consider and better deliberate on matters that are tabled to the Board, notices, agendas and Board papers, relevant information and agenda items are to be circulated at least five (5) working days before each meeting to the Directors and permanent invitees of the meeting.

5.3 Access to Independent Professional Advice

In discharging Directors' duties, each Director is entitled to obtain independent professional advice at the cost of the Company.

5.4 Access to Management and Information

5.4.1 The Directors shall have unrestricted access to Management and to information pertaining to the Company and/or the Group, including from the Company's auditors and consultants.

5.4.2 The Directors must use proper judgment to ensure that any contact made with Management does not distract the business operations of the Group and Management's function. Such contacts must be made through the GCEO.

5.5 Mode of meeting

5.5.1 The Board meeting may be held either:

- (i) by a number of the Directors who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or
- (ii) subject to the Listing Requirements and the Company's Constitution, the Board Meeting may be conducted by means of audio or audio and visual communications or such other electronic means by which all Directors participating and constituting a quorum can simultaneously hear each other throughout the meeting.

5.6 Quorum

The quorum of the Board meeting may be fixed by the Board, and unless so fixed three (3) directors shall form a quorum.

5.7 Voting

Each Director is entitled to one (1) vote on matters deliberated at the Board meeting. In the case of an equality of votes, the Chairman shall be entitled to a second or casting vote

6. ROLE OF THE GCEO

6.1 The GCEO is accountable to the Board for the overall organisation, management and staffing of the Group and for the procedures in financial and operational matters, including in the areas of staff conduct and discipline and to promote leadership by example. The Board shall link the Company's governance and management functions through the Chairman with the GCEO. All Board authority conferred on Management is delegated through the GCEO so that the authority and accountability of Management is considered to be the authority and accountability of the GCEO so far as the Board is concerned. The GCEO's authority is explicitly provided for in the LOA. The Directors should support the GCEO in undertaking this responsibility.

6.2 MDA

6.2.1 The GCEO shall act within his/her specified authorities delegated through the MDA and also ensure that the assets of the Group are adequately maintained and protected, and not unnecessarily placed at risk.

6.2.2 Through his/her delegated authorities, the GCEO has established a Senior Management Committee comprising certain key Senior Management who shall advise responsible, within the limits of the authority determined and powers delegated by the Board from time to time.

6.3 The role of the GCEO is summarised as follows:-

- (i) Foster a corporate culture that is built around acceptable core values that promotes ethical practices, encourages individual integrity and fulfill social responsibility;

- (ii) Maintain a positive and ethical work climate that is conducive to attracting, retaining and motivating a diverse group of high quality employees at all levels;
- (iii) Develop and recommend to the Board a long-term strategy and vision for the Group that leads to the creation of shareholder value;
- (iv) Develop and recommend to the Board the Group annual business plans and budget that support the Group's long-term strategy;
- (v) Ensure achievement of objectives and goals as contained in the strategic plan;
- (vi) Foster a corporate culture that promotes adherence to laws and regulations of the country;
- (vii) Manage the overall business and oversees the day-to-day operations of the Group;
- (viii) Ensure continuous improvement in the quality and value of the products and services provided by the Group;
- (ix) Ensure that the Group achieves and maintains a satisfactory competitive position within its industry;
- (x) Recommend management structure and operating authority level which includes delegation of responsibilities to Management;
- (xi) Ensure that the Group has an effective Management team below the level of the GCEO and has an active plan for its development and succession;
- (xii) Ensure in cooperation with the Board, that there is an effective succession plan in place for the GCEO;
- (xiii) Formulate and oversee the implementation of major corporate policies;
- (xiv) Accountable to the Board for the propriety and regularity of the finances;
- (xv) Responsible for the financial management of the Group and overseeing the handling of the Group's financial matters which include keeping proper accounts for prudent and economical administration, avoidance of waste and extravagance, for efficient and effective use of all resources;
- (xvi) Report to the Board periodically on the financial position of the Group which includes forecast results as may be required from time to time;

- (xvii) Report to the Board on key performance indicators in relation to the financial results, market conditions and other developments;
- (xviii) Recommend to the Board on annual management salary increment and Employees Share Option entitlement;
- (xix) Report to the Board on the results of employee union negotiation;
- (xx) Report to the Board on significant business decisions; and
- (xxi) Serve as the chief spokesperson for the Group.

7. COMPANY SECRETARY

- 7.1 The appointment or removal of Company Secretary shall be the prerogative of the Board as a whole.
- 7.2 The Board appoints the Company Secretary who is a suitably qualified and competent person who possess the knowledge and experience to carry out his/her functions and acts as the central source of information and plays an important advisory role, including knowledge in company and securities law, finance, governance, company secretaryship and other areas of compliance such as the Listing Requirements, by keeping abreast of and informing the Board of current governance practices.
- 7.3 The specific responsibilities of the Company Secretary are as follows:-
 - (i) Advise the Board, Board Committees and Management on governance issues including corporate disclosures and compliance within law rules, procedures and regulations affecting the Company securities regulations and Listing Requirements;
 - (ii) Assist the Board and Board Committees to function effectively and in accordance with their TOR and best practices;
 - (iii) Ensure compliance with listing and related statutory obligations;
 - (iv) Attend Board, Board Committees and general meetings, and ensure proper recording of minutes of meeting(s);
 - (v) Manage all Board and Board Committee meeting logistics, attend and record all minutes of the aforesaid meetings, by ensuring accuracy, timeliness and proper maintenance of such minutes, and facilitate Board communications;
 - (vi) Ensure proper upkeep of statutory registers and records;

- (vii) Assist the Chairman in the preparation for and conduct of meetings including shareholders' meetings;
- (viii) Advocate adoption of corporate governance best practices, monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;
- (ix) Ensure relevant procedures relating to the appointment of new directors are properly executed; and
- (x) Facilitate the orientation of new directors and assist in Directors' trainings and development;

8. RELATIONSHIP OF THE BOARD WITH SHAREHOLDERS AND STAKEHOLDERS

8.1 Although the primary duty of the Board is to provide accountability to its Shareholders, a wide range of stakeholders have begun to look to the Board to provide information about the Company's standing. This includes the regulators for statutory disclosure, creditors and lenders for confirmation on financial status, and customers for continuation of service and behaviour. In meeting these accountability responsibilities, the Board shall use its best endeavours to organised itself with the issues which are of concern to the Shareholders and stakeholders.

8.2 Communication with stakeholders:-

8.2.1 The Board shall ensure that there is effective, transparent and regular communication with the Company's stakeholders to facilitate mutual understanding of each other's objectives and expectations.

8.2.2 The Board shall ensure the timely release of financial results on a quarterly basis to provide stakeholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.

8.2.3 The main spokesperson for the Group shall be the GCEO. However, the Chairman shall also be a spokesperson for the

Company alongside the GCEO at meetings of shareholders and such other occasions, where key major actions are to be taken or statements are to be made by the Company. Nevertheless, individual Directors may, from time to time, at the request of the Management, meet or otherwise communicate with various stakeholders that are involved with the Group.

8.2.4 The Company's website provides easy access to the corporate information pertaining to the Company and its activities and is continuously updated.

9. DIRECTORS' TRAINING

Directors are required to undergo the required mandatory accreditation programme organised by Bursa Securities. In addition, Directors are required to attend relevant training courses/seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of Directors as well as on technical matters; for example, on financial reporting standards, tax budgets, Corporate Governance, and others.

10. DIRECTORS' REMUNERATION

- 10.1 The Board will determine the level of remuneration to be paid to the Executive Directors (if any), taking into consideration the recommendations of the BNRC. However, the determination of the remuneration packages of non-executive directors, including non-executive Chairman, shall be decided by the Board as a whole.
- 10.2 Non-executive Directors will be paid a basic fee as ordinary remuneration and will be paid a sum based on their responsibilities in the Board Committees and for their attendances at meetings. The fee which is subject to the approval of the shareholders, shall be fixed in sum and not by a commission or percentage of profits/turnover.

11. BOARD AND DIRECTORS' EVALUATION

- 11.1 The MCGG stipulates that the Board should implement a process, to be carried out by the Nominating Committee (or in the context of Pos Malaysia, the BNRC) on an annual basis, to assess the effectiveness of the Board of Directors as a whole, the Board Committees and the contribution of each individual Director.
- 11.2 Pursuant to the Listing Requirements in assessing individual Directors, the Board should take into consideration the Directors' character, experience, integrity, competency and time to effectively discharge his/her role as a Director of the Company.
- 11.3 The BNRC shall assess on an annual basis the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director. BNRC to ensure the re-appointment or re-election of a Director in compliance with the Fit and Proper Policy. The BNRC shall also ensure that all assessments and evaluations carried out by the BNRC in the discharge of this function are properly documented.
- 11.4 Performance evaluations of the Board and the Chief Level Officer include a review of the performance of the Board and the Chief Level Officer in addressing the Company's material sustainability risks and opportunities.
- 11.5 The evaluation process on the effectiveness of the Board of Directors, Board Committees and individual Directors shall be conducted through self-assessment methodologies whereby two (2) sets of Questionnaires namely, the "Evaluation of the Effectiveness of the Board Questionnaire" and the "Evaluation of the Effectiveness of the Board Committees Questionnaire" for the period under review shall be sent out to all members of the Board and the respective Board Committees for their completion. As for the assessment on each individual Director, each Director shall be requested to undertake a self-assessment under the "Evaluation of the Effectiveness of the Board Questionnaire".

12. GENERAL MEETING

- 12.1 The Company regards the AGM as an important event in the corporate calendar, of which all Directors and Senior Management shall attend.
- 12.2 The Company regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with and constructive feedback from the Company's shareholders.
- 12.3 The Chairman encourages active participation by the shareholders during the AGM. Therefore, shall the need arise, the AGM and any other General Meetings may be held at more than one (1) venue using any technology or method that enables the shareholders to participate and exercise their rights to speak and vote at the meeting.

13. STRATEGY TOWARDS PROMOTING SUSTAINABILITY

- 13.1 The Board together with Management ensures that the Environmental, Social and Governance matters are being considered when setting the strategic direction of the Company which will be aligned with the Company's long-term business strategies.
- 13.2 The Board together with Management takes responsibility for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities, targets and incorporate all aspects of climate change considerations into their decision-making processes of the Company.
- 13.3 The Board takes 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 and decisions of the business and stakeholders.
- 13.4 A Sustainability Statement will be published annually, to communicate with the internal and external stakeholders on the Company's

sustainability strategies, priorities and targets as well as performance against these targets.

- 13.5 The Board is committed in taking appropriate action to ensure the Directors stay abreast with and understand the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities.

14. REVIEW AND APPLICATION

- 14.1 The contents of this Board Charter are:

- i) periodically reviewed and updated in accordance with the needs of the Company, and as well as when practices on CG develop and new guidelines are issued by the relevant regulatory authorities;
- ii) applied in practice having equal regard to both their spirit and general principles; and
- iii) summarised in the annual report as part of a narrative statement by the Directors on CG.

- 14.2 The Charter shall be made public in the Company's website.

Revised as at 20 February 2023

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DIRECTORS' CODE OF CONDUCT

Members of the Board of Pos Malaysia shall discharge their duties professionally, with due diligence and efficiency and to the best of their abilities. In discharging their duties, each member of the Board shall at all times abide by and conform to the following Code of Conduct:-

A. CORPORATE GOVERNANCE

1. Have a clear understanding of the aims and purpose, capabilities and capacity of the Company;
2. Devote time and effort to attend meetings and to know what is required of the Board, and to discharge functions effectively;
3. Ensure at all times that the Company is properly and effectively managed and at all times act in the best interest of the Company;
4. Stay abreast of the affairs of the Company, and be kept informed of the Company's compliance with the relevant laws, rules and regulations;
5. Insist on being kept informed on all matters of importance to the Company in order to be effective in corporate management;
6. Notwithstanding the limit allowed under the relevant regulations or rules, to limit his/her directorship of companies to a number in which he can best devote his/her time and effectiveness;
7. Exercise his/her powers for the purposes that were conferred to him/her by the Board and act in good faith for the benefit of the Company;
8. Not divert to his/her own advantage and/or to the advantage of his/her connected persons any business opportunity that the Company is pursuing, and shall not use confidential information obtained by reason of his/her office for his/her own advantage or that of his/her connected persons and/or other third parties;

9. At all times act with utmost good faith and integrity towards the Company in any transaction and to act honestly, and responsibly in the exercise of his/her powers in discharging his/her duties;
10. Willing to exercise independent judgment and, if necessary, to openly oppose if the interest of the Company is at stake;
11. Maintain confidentiality of all Company information which are sensitive in nature and which are not already in the public domain;
12. Avoid any conflict of interest with fiduciary duty as follows:-
 - 12.1 To not have any self-dealing and/or conduct any private business or personal services with the Company and/or its group of companies except in accordance with the duly approved policies, processes and procedures to ensure openness, competitive opportunity and equal access to information.
 - 12.2 To abstain himself or herself from voting and deliberating on any matter which involves his/her interest and/or involves a conflict of interest with his/her fiduciary duty.
 - 12.3 To not use his/her position to obtain employment for himself/herself or his/her connected persons.
 - 12.4 To immediately and regularly disclose his/her involvement with any organisation, vendor, or association that might result in a situation of conflict.
 - 12.5 A Director should immediately and regularly declare to the Board, their interest, actual or perceived (direct or indirect) and/or any changes to their personal particulars as soon as possible either verbally or in writing.

13. Declaration of Interests

13.1 Subject to the requirements of any acts, rules or regulations that are in force from time to time and in addition to such mandatory requirements, members of the Board are required to notify the Company Secretary of any changes to their:

- (i) Shareholdings in the Company and its related corporations, whether direct or indirect; and
- (ii) Directorships or interests in any other corporations.

14. Exercise his/her authority over the Company as explicitly set forth in the Board Charter and/or the LOA and/or as authorised by the Board.

B. RELATIONSHIP WITH SHAREHOLDERS, EMPLOYEES, CREDITORS AND CUSTOMERS

- 1. Be conscious of the interest of all shareholders, employees, creditors and customers of the Company;
- 2. Promote professionalism, and improve the competency of management and employees; and
- 3. Ensure adequate safety measures and provide proper protection to employees at the workplace.

C. SOCIAL RESPONSIBILITIES AND ENVIRONMENT

- 1. Adopt an objective and positive attitude and give the utmost cooperation for a common goal when dealing with government authorities or regulatory bodies;
- 2. Ensure the effective use of natural resources to protect the environment, and improve quality of life by promoting corporate social responsibilities and adopting environmental, social and governance principles in conducting business;
- 3. Be more proactive to the needs of the community and assist in society-related programmes in line with the Corporate Social Responsibility Policy of the Company; and

4. Ensure that the business activities and the operations of the Company do not harm the interest and well-being of the society at large and the environment.

D. CORPORATE LIABILITY

1. The Board is responsible for establishing, governing, maintaining and reviewing the contents and operation of Anti-Bribery & Anti-Corruption Policy and take cognisance of the liability under Section 17A of the Malaysian Anti-Corruption Commission Amendment Act 2018.

E. WHISTLEBLOWING POLICY

1. The Board should establish, review and together with Management implement appropriate policies and procedures on whistleblowing.
2. The oversight of the whistleblowing function is under the purview of the BAC who shall ensure that all reported violations are properly investigated. The BAC is also responsible for reviewing the effectiveness of the actions taken in response to all concerns raised.

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SCHEDULE OF MATTERS RESERVED FOR DECISION OF THE BOARD

The list of matters reserved for decision of the Board are as specified below. The list of matters may be varied, or amended from time to time as may be determined and approved by the Board.

Conduct of the Board

1. Appointment and removal of directors based on recommendations of the BNRC and subject to relevant laws and regulations.
2. Appointment and removal of Company Secretary.
3. Establishment and/or dissolution of Board Committees; and appointment and/or cessation of members of the Board Committees based on the recommendation of the BNRC.
4. Terms of Reference of Board Committees and amendments to such terms.
5. Appointment and removal of senior executive positions, as per the Company's LOA.

Remuneration

1. Fee for Non-Executive Directors subject to the approval of Shareholders.
2. Remuneration structure packages and policy for the Group Chief Executive Officer and Chief Level Officer based on the recommendation of the BNRC.
3. New employees' share option scheme and/or amendments to the scheme, subject to other approvals that may be required by law or regulation.
4. Allocation and share grants in employees' share schemes.

Operational, Planning and Investments

1. Business strategy, Group management plan and annual budget.
2. Mid-term annual review of Group performance against business strategy and/or Group annual management plan.
3. Capital expenditure exceeding Management's authority or amounts under the Company's LOA.
4. Write-off of bad debts and assets exceeding Management's authority or amount under the Company's LOA.

5. Investments or divestments in a company/business/property/undertaking.
6. Investments or divestments of a capital project which represent a significant diversification from the existing business activities.
7. Changes in the major activities of the Company.
8. LOA for the Company and any amendment thereto.

Financial

1. Quarterly interim and annual financial statements based on recommendation of the BAC.
2. Release of announcements on quarterly interim and annual financial statements to Bursa Securities.
3. Annual Directors' Report and Statutory Accounts.
4. Declaration of interim dividends, recommendation of final dividends and the making of any distribution.
5. Adoption of accounting policies.
6. Approval of treasury policies.
7. Effectiveness of the Group's system of internal control. This function is delegated to the BAC, which will in turn report to the Board on its findings.

Other matters

1. Granting of powers of attorney by the Company.
2. Providing indemnities or guarantees.
3. Recommendation for the alteration of the Company's Constitution.
4. Change of the Company's name, financial year end and registered office.
5. Purchase of own shares/share buy-back by the Company.
6. Issuance of debt instruments.
7. Charitable contributions as per the Company's LOA.
8. Statement on Corporate Governance and/other relevant Statements for inclusion in the Company's Annual Report.
9. Scheme of reconstruction or restructuring.
10. Any other significant business decision.
11. Any other matters requiring the convening of a general meeting of Shareholders or any class of Shareholders.
12. Any other matters which may require approval of the Board as stipulated under any relevant law, rule, regulation, or guideline, circular or directive of any relevant authority.

13. Any other matters requiring the Board's approval under the LOA of the Company. In the event of any inconsistency between any of the reserved matters herein and the Company's LOA, the Board Charter shall prevail.

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