



A Member of  **MMC** Group

COMPANY NO. 199201008906 (240409-T)

BOARD CHARTER

Updated as at 18 August 2022

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1. Purpose

This Board Charter sets out the principles for the operation of the Board of Directors (“Board”) of Gas Malaysia Berhad (“Gas Malaysia” or “the Company”) and its subsidiaries (“the Group”) and describes the functions of the Board and those functions delegated to Board Committees and Management of the Company. This Board Charter shall form an integral part of each Director’s duties and responsibilities.

This Board Charter is established to promote high standards of corporate governance and is designed to provide guidance and clarity for Directors and Management with regard to the role of the Board, and its Committees.

This Board Charter was developed based on the Practices of Malaysian Code on Corporate Governance (“MCCG”), provisions in the Companies Act 2016, Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“MMLR”), Constitution of the Company and other applicable rules and regulations.

This Board Charter does not overrule or pre-empt the statutory requirements and other relevant statutes including the conduct of the Board as stipulated in the Constitution of the Company. To the extent of any conflict between the terms of the Board Charter and the Constitution, the Constitution prevails.

2. The Board

- 2.1 The Board shall be of a size and composition with the benefit of diversity in perspectives and skills to understand properly and deal with the current and emerging issues of the business of the Company.
- 2.2 The Board shall comprise at least two (2) Directors or one-third (1/3), whichever is higher, of the Board of Directors who are Independent Directors (“IDs”).
- 2.3 The appointment of a new member to the Board is only made after consultation with the Nomination & Remuneration Committee (“NRC”). The Board shall take into account the various boardroom diversity in terms of gender, ethnicity and age in nominating and selecting new Directors to be appointed to the Board. In summary, the Board expresses its commitment to maintain a balanced diversity as set out in the Board Diversity Policy statement below:

GAS MALAYSIA BERHAD

BOARD DIVERSITY POLICY

OBJECTIVE AND SCOPE

The Board Diversity Policy (“the Policy”) sets out the approach to diversity on the Boards of Directors (“the Board”) of Gas Malaysia Berhad (“Gas Malaysia” or “the Company”).

The Policy applies to the Board of Gas Malaysia.

ROLES AND RESPONSIBILITIES

The overall responsibility for reviewing and approving the Board Diversity Policy lies with the Board.

POLICY STATEMENT

- The Board remains committed to selecting the best candidate for appointment to the Board towards achieving a high-performing Board.
- The Board places emphasis on ensuring that its membership reflects diversity in its broadest sense and recognises the benefits of having a diverse Board. It believes that recognising and encouraging diversity is important in providing a range of perspectives, insights and challenge needed to support good decision making.

MEASURABLE OBJECTIVES

- As part of its recruitment practice, the Board shall consider candidates on merit against objective criteria, and with due regard for the benefits of diversity on the Board.
- The Board will take opportunity, as and when appropriate, to further improve diversity on the Board. The structure, size and composition (including competencies and skills, knowledge, experience, gender, age and ethnicity) of the Board shall be considered as part of the annual evaluation of performance and effectiveness of the Board.
- On gender diversity, the Board supports the move to appoint more suitable female directors towards having 30% female directors on the Board, to improve the Board composition.
- The Board acknowledges the benefits of having a diversity in the boardroom in terms of age demographics to balance the Board's insight and experience, and to have a range of perspectives to facilitate effective discussion of issues during deliberations and decision-making.
- The Board supports ethnic diversity in the boardroom and will work towards diversifying ethnic composition of the Board as and when vacancies arise and suitable candidates are identified.

MONITORING AND REPORTING

The Board, through the Nomination & Remuneration Committee ("NRC") is responsible for the implementation of this Policy and for monitoring progress towards the achievement of the Board's objectives.

This Policy will be published on the Company's website.

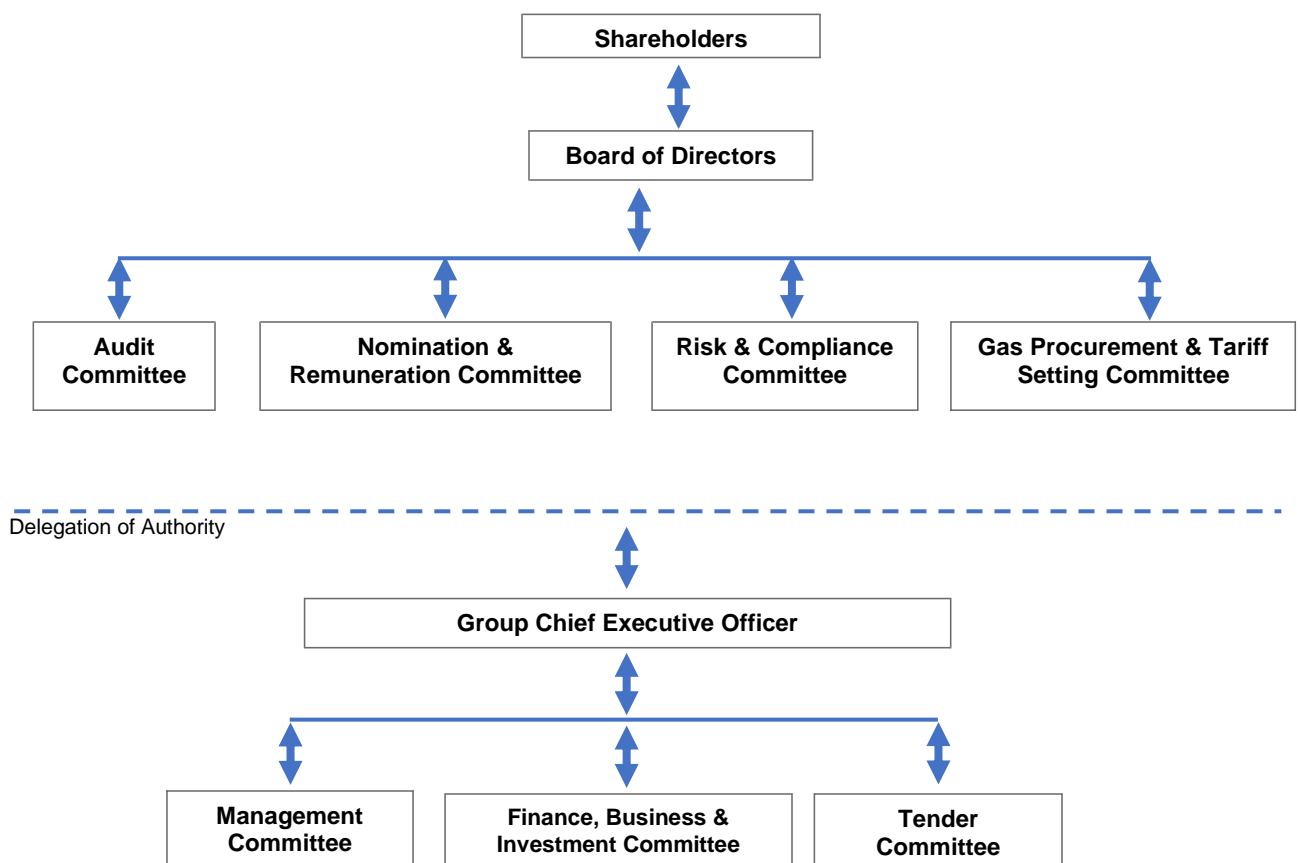
REVIEW OF THE POLICY

This Policy will be reviewed on a regular basis by the NRC taking into account any new or changes to legislation, or more frequently should a significant change in the business, market or regulatory environment occur. Any revision to the Policy as recommended by the NRC will be submitted to the Board for consideration and approval.

- 2.4 The Board adopts the Fit & Proper Policy on 28 June 2022. In application of this Policy, the Board and the NRC will be guided in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking re-election. This Policy applies to all appointments and re-election of Directors of Gas Malaysia Group. Candidates will be assessed based on character and integrity, experience and competence; and time and commitment before a recommendation is made to the Board for approval.
- 2.5 The Board recognises the importance of having a clearly accepted division of power and responsibilities at the head of the Company to ensure a balance of power and authority. It is the policy of the Board to keep the roles of the Chairman and the Managing Director/Group Chief Executive Officer ('MD/GCEO') separate.
- 2.6 A Director must not hold more than five (5) directorships in listed companies and shall inform the Board's Chairman of any new directorships in other listed companies.
- 2.7 The tenure of an ID shall not exceed a cumulative term of 12 years.
- 2.8 Roles and Responsibilities of the Board
- 2.8.1 A Director shall at all times exercise his/her powers for a proper purpose and in good faith in the best interest of the Company and shall act honestly and use reasonable care, skill and diligence in the discharge of the duties of his/her office and shall not make use of any information acquired by virtue of his/her position to gain directly or indirectly an improper advantage for himself/herself or for any other person or to cause detriment to the Company.
- 2.8.2 The principle responsibilities of the Board including those adopted from the MCCG are:
- together with Management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;
 - review, challenge and decide on Management's proposals for the Company, and monitor its implementation by Management;
 - ensure that the strategic plan and direction of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;

- supervise and assess the conduct and performance of the Management to determine whether the business is being properly managed;
- ensure there is a sound framework for internal controls and risk management;
- understand the principal risks of the Company’s business and recognise that business decisions involve the taking of appropriate risks;
- set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- ensure that Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Management;
- ensure that the Company has in place procedures to enable effective communication with stakeholders;
- ensure that all Directors are able to understand financial statements and form a view on the information presented;
- ensure the integrity of the Company’s financial and non-financial reporting; and
- carry out or perform such other functions necessary for the discharge of its fiduciary duties under the relevant laws, rules and regulations.

2.9 The governance structure of the Board is as follows:



3 The Board Committees

- 3.1 The Board reserves the right to establish committees from time to time in the discharge of its duties and responsibilities.
- 3.2 Where a committee is formed, specific terms of reference of the committee would be established to serve as a guidance which covers matters such as the purpose, composition and functions of the committee.
- 3.3 A number of standing committees with written terms of reference has been established namely the following:

a) Audit Committee

Audit Committee (“AC”) assists in providing oversight on the Group’s financial reporting, disclosure, regulatory compliance and monitoring of internal control processes within the Group. The Audit Committee reviews the quarterly financial results, unaudited and audited financial statements, internal and external audit reports as well as related party transactions.

Written Terms of Reference of the AC is available on Gas Malaysia’s website: www.gasmalaysia.com.

b) Nomination & Remuneration Committee

The Nomination & Remuneration Committee (“NRC”) oversees matters relating to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director as well as identify candidates to fill board vacancies, and nominating them for approval by the Board.

It is also responsible for recommending to the Board the remuneration of Executive Directors, Non-Executive Directors and Senior Management in all its forms, drawing from outside advice if necessary.

Written Terms of Reference of the NRC is available on Gas Malaysia’s website: www.gasmalaysia.com.

c) Risk & Compliance Committee

The Risk & Compliance Committee (“RCC”) oversees the identification, monitoring and control of all risks and compliance issues faced by the business carried out by the companies. It provides assurance to the Board that risk control measures and mitigation actions are in existence and continually reviewed.

Written Terms of Reference of the RCC is available on Gas Malaysia's website: www.gasmalaysia.com.

d) Gas Procurement & Tariff Setting Committee

The Gas Procurement & Tariff Setting Committee ("GPTSC") was established to assess and determine the gas procurement strategy, tariff setting strategy and strategic business direction for Gas Malaysia's Group of companies.

4. Board Processes

4.1 Frequency of Board Meeting

4.1.1 The Board shall meet regularly, at least on a quarterly basis. Special Board meetings shall be held in addition to the quarterly meetings as and when required. Prior notice of meetings will be given to all who are required to attend the meetings.

4.1.2 Board members are required to attend the Board meetings and attendance of each individual Director in the meetings held in a financial year is required to be disclosed in the Annual Report.

4.1.3 Other senior officers may be invited to attend for particular items within their responsibility. The Board may also invite external parties such as the auditors, solicitors and consultants as and when the need arises.

4.1.4 Additional formal business is dealt with as required, whether by physical, video conferencing or telephonic meetings, as well other electronic meetings allowed under the laws or the Company's Constitution.

4.1.5 Each Director shall not be absent for more than 50% of the total Board meetings held during a financial year.

4.2 Agenda

4.2.1 The notice of a Directors' meeting shall be given in writing at least 14 days prior to the meeting.

4.2.2 The agenda shall include, amongst others, matters specifically reserved for the Board's decision. The Board shall record its deliberation, in terms of the issues discussed, and the conclusions thereof in discharging its duties and responsibilities.

4.3 Meeting Papers

4.3.1 Board papers and agenda items are to be circulated at least five (5) working days prior to the meeting.

- 4.3.2 The minutes of Board meetings shall be prepared within 14 days following a Board meeting. The draft minutes shall be circulated together with the Board papers at the following Board meeting. If one or more Directors request their opinion to be noted, the Company Secretary shall comply with the request.

4.4 Access to Information and Independent Professional Advice

- 4.4.1 All Directors (executive and non-executive) have the same right of access to all information within the Group whether as a full board or in their individual capacity, in furtherance of their duties and responsibilities as Directors of the Company, subject to a formal written request to the Chairman furnishing satisfactory and explicit justification for such request.
- 4.4.2 All Directors shall have access to the advice and services of the Company Secretary. The Board shall recognise that the Chairman is entitled to the strong and positive support of the Company Secretary in ensuring the effective functioning of the Board.
- 4.4.3 The full Board or in their individual capacity, in furtherance of their duties, shall be able to obtain an independent professional advice at the Company's expenses by informing the Chairman.

5. The Chairman

The key responsibilities of the Chairman include:

- to provide leadership to the Board, and oversee the Board in the effective discharge of its fiduciary duties;
- to set the Board agenda and ensure the Board members receive complete and accurate information in a timely manner;
- to lead in discussions at meetings and ensure efficient and effective conduct of the Board meetings;
- to encourage active participation and allow dissenting views to be freely expressed;
- to promote constructive and respectful relations between Board members and manage the interface between the Board and Management;
- to facilitate effective communication between the Board and the stakeholders;
- to lead the Board in establishing and monitoring good corporate governance practices in the Company; and
- to commit time necessary to discharge effectively his/her role as Chairperson.

6. The MD/GCEO

- 6.1 The position of the MD/GCEO in essence is to ensure the effective implementation of the Group's Business Plan and policies established by the Board as well as to manage the daily conduct of the business and affairs to ensure its smooth operation;

6.2 The responsibility of the MD/GCEO shall be stated in an agreed job description and generally, the MD/GCEO is responsible to the Board for the following:

- executive management of the Group's Business covering, inter alia, the development of a strategic plan; an annual operating plan and budget; performance benchmarks to gauge management performance and the analysis of management reports;
- developing long-term strategic and short-term profit plans, designed to ensure that the Group's requirements for growth, profitability and return on capital are achieved;
- set, review and ensure compliance with the Company's value;
- ensure risk management and internal controls are operating adequately and efficiently;
- directing and controlling all aspects of the business operations in a cost effective manner;
- effectively oversee the human resources of the Group with respect to key positions in the Group's hierarchy including succession planning talent pool and retention;
- ensures that the Group's Financial Reports present a true and fair view of the Group's financial condition and operational results and are in accordance with the relevant accounting standards;
- assures the Group's corporate identity, products and services are of high standards and are reflective of the market environment;
- be the official spokesman for the Company and responsible for regulatory, governmental and business relationships;
- ensures compliance with governmental procedures and regulations;
- coordinates business plans with the businesses heads, coordinates management issues through the Board, and oversees divisional function groups and cost containment process in consultation with the Financial Controller;
- maintains and facilitates a positive working environment and good employee relations; and
- assists the Chairman in organising information necessary for the Board to deal with the agenda and for providing this information to Directors on a timely basis.

6.3 In discharging the above responsibilities, the MD/GCEO can delegate appropriate functions to the senior management, who shall report to the MD/GCEO.

7. Directors' Induction and Continuous Education Training

7.1 The newly appointed Directors shall undergo an induction programme which will provide Directors with a clear insight into the Group's business as well as keeping them abreast with development in the industry, current issues faced and strategies adopted by the Group.

- 7.2 All newly appointed Directors are required to have attended the Mandatory Accreditation Program (“MAP”) as prescribed by Bursa Securities within the stipulated timeframe.
- 7.3 The Board must on a continuous basis, evaluate and determine the training needs of its directors. The subject matter of training must be one that aids the director in the discharge of his/her duties as a Director.

8. The Board’s Relationship with Shareholders and Stakeholders

- 8.1 The Board shall maintain an effective communications policy that enables both the Board and Management to communicate effectively with its shareholders, stakeholders and the general public.
- 8.2 It is the role of the Board to ensure that the Annual General Meeting (“AGM”) and Extraordinary General Meeting (“EGM”) of the Company are conducted in an efficient manner and serves as a crucial mechanism in shareholder communications. Key ingredients behind this include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the General Meeting.
- 8.3 The Board will focus its efforts on the following best practices to enhance the effectiveness of the General Meeting:
- ensure that each item of special business included in the notice to be accompanied by a full explanation of the effects of the proposed resolution;
 - for re-election of Directors, ensures that the notice of meeting state which Directors are standing for election or re-election with a brief description to include matters such as age, relevant experience, list of directorships, date of appointment to the Board, details of participation in board committee and the fact that a particular Director is independent;
 - ensure that the Chairman provides reasonable time for discussion at the meeting. Where appropriate and if required, the Chairman will also undertake to provide written answer to any significant question which cannot be answered immediately; and
 - conduct a business presentation with a question and answer session, where appropriate and if required.

9. Conflict of Interest

- 9.1 The Company’s Constitution stipulates that a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare his interest in accordance with the provisions of the Companies Act 2016. The Director concerned shall not participate in deliberations and shall abstain himself from casting his votes in any matter arising thereof unless otherwise as provided for in the Constitution of the Company.

- 9.2 Shall there be an actual, potential or perceived conflict of interest between the Company or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, or a related company, the Director involved shall make full disclosure and act honestly in the best interest of the Company.
- 9.3 An actual, potential or perceived conflict of interest shall not necessarily disqualify an individual Director from the Board provided that full disclosure of the interest has been made in good faith and with due honesty.

10. Board Assessment and Evaluation

- 10.1 The Board shall carry out an annual self-evaluation and/or peer evaluation on the effectiveness of the Board as a whole, of each individual Director and the different Committees established by the Board. The NRC is delegated the responsibility to perform the Board evaluation and report the results to the Board. The assessment is conducted through questionnaires circulated to the Board covering various aspects pertaining to board effectiveness such as Board composition and structure, principal responsibilities of the Board, Board process, GCEO performance and succession planning, Board governance and Environmental, Social & Governance issues.
- 10.2 The Board may engage an independent experts periodically to facilitate objective and candid board evaluation.

11. Code of Ethics

Gas Malaysia has in place “Code of Ethics” for Directors formulated with the intention to focus on the Board and each Director on areas of ethical risk, provide guidance to Directors to help them recognise and deal with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability.

12. Whistleblower Policy

- 12.1 Gas Malaysia has in place a Whistleblower Policy (approved by the Board on 14 February 2018), designed to:
- to provide employees and third parties with proper internal procedures in disclosing cases of improper conduct;
 - to manage disclosures of improper conduct in an appropriate and timely manner;
 - to provide protection to whistleblowers from detrimental action that may result from the disclosure of improper conduct;
 - to provide fair treatment to both the whistleblower and the alleged wrongdoer when a disclosure of improper conduct is made; and
 - to set out the processes to manage the overall system and implementation of the Whistleblower Policy.

- 12.2 The Audit Committee has the overall responsibility for the policy and shall oversee the implementation of the said.

13. Anti-Bribery Anti-Corruption Policy

The Anti-Bribery and Anti-Corruption Policy and Framework (“ABAC Policy”) was approved by the Board on 13 February 2020 as a comprehensive set of measures to combat all forms of bribery and corruption related to the Group's business and operations in accordance with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 on Corporate Liability (MACC Act) and the Guidelines of Adequate Procedures by the Government.

14. Company Secretary

- 14.1 The Company Secretary shall be suitably qualified, competent and capable of carrying out the duties required of the post.

- 14.2 The key role of the Company Secretary shall include:

- provide unhindered advice and services for the Directors, as and when the need arises;
- enhance the effective functioning of the Board;
- ensure regulatory compliance;
- preparing agendas and coordinating the preparation of the Board papers in a timely and effective manner;
- ensure that Board procedures and applicable rules are observed;
- maintaining records of the Board and ensure effective management of organisation’s records;
- preparing comprehensive minutes to document Board proceedings and ensure conclusions are accurately recorded;
- assisting the communications between the Board and Management; and
- providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.

15. Representation of the Company

- 15.1 The Board appoints the Chairman and MD/GCEO to speak on behalf of the Group and to manage the communication of information to investors, other stakeholders and the public in an orderly and effective manner while adhering, at all times, to relevant laws and regulatory requirements.

- 15.2 Non-executive Directors with the possible exception of the Chairman to as far an extent as possible, shall avoid commenting on the Company to external audiences. This is to avoid confusion and to ensure that the Board speaks in one voice.

16. Confidentiality

- 16.1 All information and documentation received by the Board from the Company shall be treated as confidential, unless otherwise expressly decided by the Board. All Board members are responsible for ensuring that any material received is properly protected and remains confidential.
- 16.2 If any information shall be provided to third parties, this shall be provided by the Chairman or the MD/GCEO if so agreed with the Chairman.
- 16.3 The confidentiality obligation shall continue to apply after the board member has ceased to be a board member.
- 16.4 The Chairman may provide such information at the Company's General Meeting if deemed necessary and in accordance with corporate disclosure requirements.

17. Review of Board Charter

This Charter shall be periodically reviewed and may be amended by the Board as it deems appropriate to ensure its relevance and effectiveness.

REVISION HISTORY:

Rev. No.	Date	Details	Meeting/DCR No.
1/2013	20 March 2013	Initial document	BODM 2/2013
2/2013	1 April 2013	Refinement to 20 March 2013 version	BODM 3/2013
3/2018	14 November 2018	To be in line with MMLR and MCCG 2017	BODM 5/2018
4/2021	22 March 2021	To be in line with MMLR and MCCG 2017	DCR 5/2021
5/2022	18 August 2022	To be in line with MMLR and MCCG 2022	BODM 4/2022