



Member of International Islamic University Malaysia 

BOARD CHARTER

VERSION 5.0

Date of Approval : 10 June 2024

1. Introduction

- 1.1 The Board of IIUM Holdings Sdn Bhd is also referred to as the Main Board and has overall responsibility for the Group. The Main Board has overall responsibility for the conduct of business, corporate governance, strategy, internal controls, risk management, material litigation, sustainability, and succession planning for the Group.
- 1.2 This Board Charter is subject to the provisions of the Companies Act 2016 ("Companies Act"), the Constitution of IIUM Holdings Sdn Bhd., the Malaysian Code on Corporate Governance ("MCCG"), the Corporate Governance Framework for IIUM Holdings Sdn Bhd, the Authorised Group Policy ("AGP"), and any other applicable law or regulatory requirements.

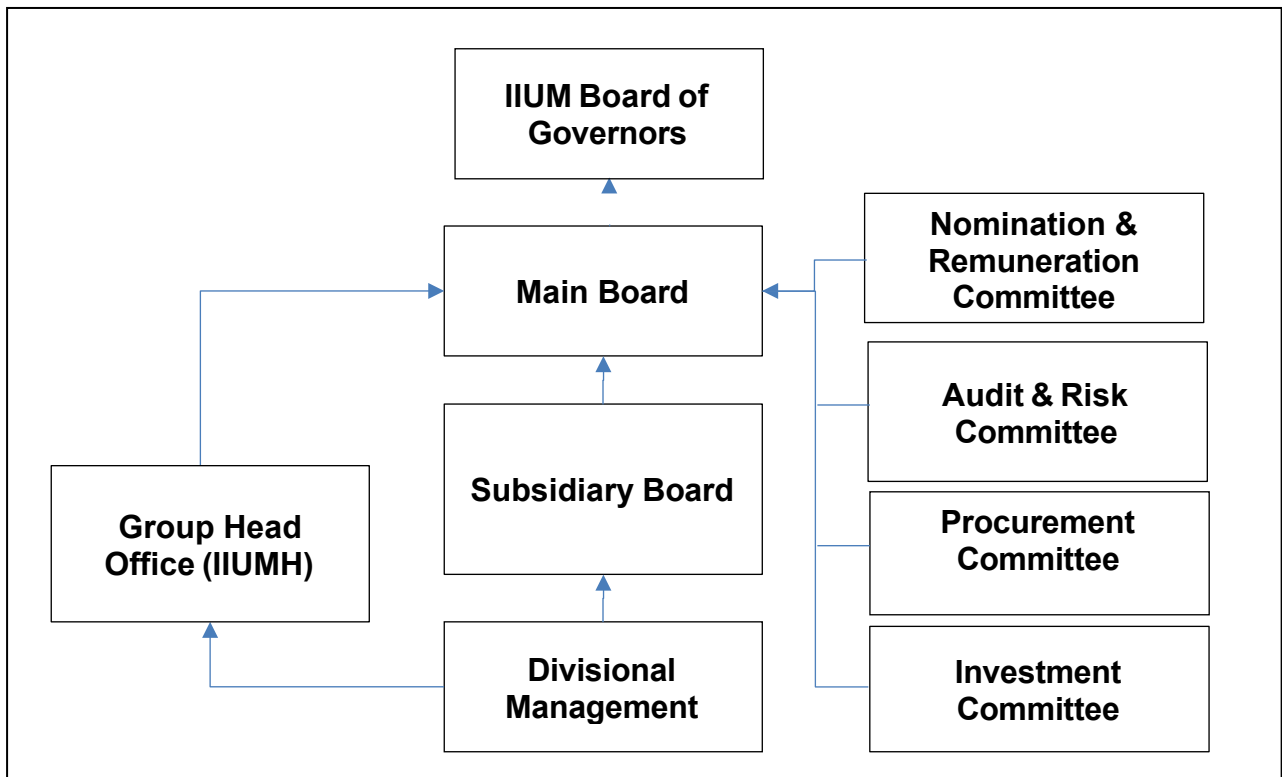
2. Objectives

- 2.1 The Board Charter ("Charter") sets out the role, composition, and responsibilities of the Board of Directors ("the Board") of IIUM Holdings Sdn. Bhd. and its subsidiaries ("the Group").
- 2.2 The Charter also outlines the role and responsibilities of the Group Chief Executive Officer (Group CEO), Group Company Secretary, the Chief Executive Officer of Subsidiaries and also the primary committees that are established to assist the Board in its oversight function.

3. Reporting Structure

- 3.1 IIUM Holdings Sdn Bhd (IIUM Holdings or IIUMH) is mandated by the IIUM Board of Governors (BOG) to carry out its business activities in line with the vision and mission of IIUM.
- 3.2 IIUM Holdings shall report directly to BOG including but not limited to the following:
 - a) Annual Plan and Budget Strategy;
 - b) Talent Development and Succession Plan; and
 - c) Quarterly Financial Report (eg: Budget versus Actual - Variance Analysis Report) and report on IIUM Holdings cash flow projections and borrowing position whereby any amount of borrowing of the Group with the relevant gearing ratio that exceeds 50% has to be escalated to BOG for deliberation and approval.

3.3 A snapshot of the Group's governance structure is illustrated in the following diagram:



4. The Board

4.1 Role of the Board

4.1.1 The Board is charged with leading and managing the Company effectively and responsibly. 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 shareholder and stakeholders for how the affairs of the Company are managed. The Board sets the Company's values and standards and ensures that its obligations to the shareholder and stakeholders are understood and met.

4.1.2 The Board should objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the company. All directors must act with integrity, lead by example, keep abreast of their responsibilities as a director and of the conduct, business activities, and development of the company.

- 4.1.3 The Board understands that the responsibility for good Corporate Governance rests with them and therefore strives to follow the principles and recommendations stated in MCCG.
- 4.1.4 The Board is required to devote the necessary time and effort to set the company's strategy, besides setting the strategic direction of the company, the board must also institute a regular and formal board strategy review.
- 4.1.5 Duties of the Board include establishing the corporate vision and mission, as well as the philosophy of IIUM Holdings Sdn Bhd and its subsidiary, setting the aims of the Management and monitoring the performance of the Management.
- 4.1.6 The Board assumes the following specific duties:
 - a) Promoting together with Management, good corporate governance culture within the Group reinforces ethical, prudent, and professional behaviour.
 - b) Reviewing and adopting a strategic plan for the Group;
 - c) Overseeing the conduct of the Group's businesses;
 - d) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;
 - e) Succession planning in the Human Resource structure;
 - f) Overseeing the development and implementation of shareholder communications policy for the Group; and
 - g) Reviewing the adequacy and the integrity of the management information and internal controls system of the Group.
- 4.1.7 The Board may determine which issues require a decision of the full Board and which issues can be delegated to Board Committees or the Management.
- 4.1.8 The Board reserves full decision-making powers on the following matters:
 - a) Divisional strategy, plans, and budget;
 - b) Acquisitions and disposals and transactions exceeding the authority limits delegated by the Main Board to the Subsidiaries Boards;
 - c) Changes to senior Group Head Officers (GHO) and CEOs; and

- d) Changes to key policies, , and delegated authority limits of the Group.
- 4.1.9 The Board may, collectively or individually, seek independent professional advice in furtherance of their duties at the Group's expense.
- 4.1.10 The Board has the responsibility to set the tone and standards of the company through the Code of Conduct and Ethics.
- 4.1.11 The Board meets in person at least once every quarter to facilitate the discharge of their responsibilities. Members of the Management who are not Directors may be invited to attend and speak at meetings relating to their sphere of responsibilities.

4.2 Role of Individual Directors

- 4.2.1 Each Director needs to be familiar with:
 - a) the laws, regulations, and rules relevant to the operations of the Operating Entity, including foreign countries and jurisdictions, where such Operating Entities are incorporated or domiciled; and
 - b) the Operating Entity's Constitution or similar document setting out the scope of the Operating Entity's and Directors' roles and responsibilities.
- 4.2.2 The appointment as a Director of an Operating Entity carries significant responsibilities and duties. Such appointments are not to be regarded as "rewards for good conduct" or "prestige" positions.
- 4.2.3 A Director is accountable to:
 - a) All shareholders – a Director must ensure that all shareholders are treated fairly; and
 - b) The Group – a Director must take into consideration the Group's legitimate interests as a shareholder. Nominee Directors of Group Companies should understand the circumstances under which the Group should be consulted before major decisions are made or taken.
- 4.2.4 Directors need to be vigilant to ensure that they are not exposed to civil or criminal liabilities by failing to properly discharge their legal duties.

- 4.2.5 Directors must ensure that they act and transact within the limits prescribed in the Constitutions of the Operating Entity; and authority vested in them, whether through shareholder or Board resolutions or series of Group's internal governance policies.
- 4.2.6 Directors who are nominated to the Boards of Operating Entities must endeavour to ensure that the Operating Entity's company constitution, Shareholder Agreements, and other similar documents that empower the company to transact its business, do not create a conflict with Group's internal governance policies for the nominee Director.
- 4.2.7 Directors should not put themselves in situations of actual or potential conflict of interest.
- 4.2.8 Directors should ensure that they make appropriate disclosures and comply with the relevant legislation and regulations about Related Party Transaction.
- 4.2.9 Directors should not make use of any information acquired by them or opportunity afforded to them by their position as directors of a company to gain an advantage for themselves or their families directly or indirectly.
- 4.2.10 The Board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees, and each director. The Board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

4.3 Composition and Board Balance

- 4.3.1 The Board consists of qualified individuals with diverse experiences, backgrounds, and perspectives including legal, financial, marketing, operational, and industrial experts, with diversified compositions in age, gender, ethnicity, and race. The composition and size of the Board are such that it facilitates the making of informed and critical decisions.
- 4.3.2 The views of the Management are represented at meetings of the Board by the presence of Corporate Heads and the CEOs, as and when required.
- 4.3.3 If in any matter discussed at a Board meeting, any Director holds views contrary to those of any of the other Directors, the Board minutes will reflect this.

- 4.3.4 The Main Board composition shall be directors nominated by the BOG and the number of directors of the Board of IIUM Holdings shall not be less than two (2) and not more than nine (9) and 30% shall be from the IIUM staff.

4.4 Appointments

4.4.1 Appointment of Chairperson of the Board of IIUM Holdings

4.4.1.1 The nomination of the Chairperson of the Board of IIUM Holdings shall be recommended by the BOG. The BOG shall establish its Nomination Committee to assist the Board of Directors of IIUM Holdings in nominating new nominees for the Group Chairman of the Group.

4.4.1.2 The Nomination Committee of BOG shall determine the fitness and propriety that addresses board quality and integrity for the appointment of the Chairman of IIUM Holdings.

4.4.1.3 The nominations from the BOG will be submitted and presented to the Nomination & Remuneration Committee (NRC) of IIUM Holdings to independently determine the same before making the final recommendation to the Board of IIUM Holdings. If the nominee assessed does not meet the fit and proper requirements, NRC will formally inform the BOG so that they may propose new names (nominees).

4.4.1.4 No members of the BOG shall be appointed as the Chairperson of the Board of IIUM Holdings. The Chairperson of IIUM Holdings' Board should also not be a member of any of the Board Committees of IIUM Holdings.

4.4.2 Appointment of IIUM Nominee Directors to the Board of IIUM Holdings

4.4.2.1 The IIUM nominee directors who are nominated by BOG to the Board of IIUM Holdings is deemed to be a non-independent director.

4.4.2.2 Although the IIUM nominee director is nominated by BOG to protect IIUM's interest, however, is still a director of IIUM Holdings and, therefore, owes a fiduciary duty towards IIUM Holdings, namely to act in the best interest of IIUM Holdings Group and to avoid conflict of interest.

4.4.2.3 The directors appointed to the Board of IIUM Holdings and its subsidiaries must attend at least 75% of the scheduled Board meetings held each year in IIUM Holdings Group and provide robust views and discussions to ensure that the representation is effective and able to give beneficial direction and guidance to IIUM Holdings Group.

4.4.3 Appointment of Directors to the Board of IIUM Holdings

4.4.3.1 The nomination of Directors to the Board of IIUM Holdings shall be recommended by the BOG.

4.4.3.2 The BOG shall establish its Nomination Committee to assist the Board of IIUM Holdings in nominating new nominees for Director of the Board of IIUM Holdings.

4.4.3.3 The Nomination Committee of BOG may determine the fitness and propriety that addresses board quality and integrity for the appointment of the Director of the Board of IIUM Holdings.

4.4.3.4 The nominations from the BOG will be submitted and presented to the Board Nomination & Remuneration Committee (NRC) of IIUM Holdings to independently determine the same before making the final recommendation to the Board of IIUM Holdings. If the nominee assessed does not meet the fit and proper requirements, NRC will formally inform the BOG so that they may propose new names (nominees).

4.4.3.5 This section is applicable to the appointment of Directors to the Board of IIUM Holdings with the exception to IIUM Nominee Directors.

4.4.4 Appointment of Members of Board Committee

4.4.4.1 The directors' appointment to the Board Committees is a matter for consideration and approval by IIUM Holdings.

4.4.4.2 The directors appointed to the Board Committee must attend at least 50% of the scheduled Committee meetings held each year and provide robust views and discussions to ensure that the representation is effective and able to give beneficial direction and guidance to IIUM Holdings Group.

4.4.5 **Membership of Board of IIUM Holdings' Subsidiaries**

4.4.5.1 All nominations of directors for the subsidiaries can be recommended by any Board members within the IIUM Holdings Group and will be submitted to the NRC to determine the nominees' fitness and propriety for deliberation and recommendation to the Board of IIUM Holdings.

4.4.5.2 All directors are required to declare any conflict of interest, as an individual or as a body corporate, and therefore abstain from the discussion and decision.

4.4.6 The Chairperson of the Subsidiary Board should be a member of the Main Board to facilitate and act as a conduit between these two entities, and to avoid any conflict of interest that may arise from this appointment.

4.4.7 The **Education Division**, since the division encompasses subsidiaries that involve with education business activities, therefore the recruitment of directors should consider the following guiding principles:

- a) A person mandated and required by the applicable law as a license holder
- b) An expert with experience in the business industry (either in the Government or Private sector) in which the respective subsidiary is involved
- c) The number of directors must be following the applicable laws or regulations set by the authorities/regulators
- d) A representative from the Kulliyah/IIUM

4.4.8 The **Healthcare Division**, since the division covers subsidiaries that involve with medical services and pharmaceutical products, therefore the recruitment of directors should consider the following guidelines:

- a) A medical specialist as a license holder
- b) An expert with experience in the medical business services industry

- c) An expert with experience in the pharmaceutical industry
 - d) A representative from the Kulliyah/IIUM
- 4.4.9 The **Infrastructure & Services Division**, this division looks after subsidiaries that involve with facilities management, infrastructure, properties, construction, and information technology, therefore the recruitment of directors should fit, although not necessary, the following requirements:
- a) An expert with experience in the facilities management industry
 - b) An expert with experience in sustainable energy activities
 - c) An expert in the land development and construction industry
 - d) An information technology expert
 - e) A representative from the Kulliyah/IIUM
- 4.4.10 The Group Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.
- 4.4.11 Upon the appointment of a new Director, the Group Company Secretary advises the Director of his/her principal duties and responsibilities. Thereafter, all Directors are provided with appropriate briefings on the Group's affairs and up-to-date Corporate Governance materials published by the relevant bodies.
- 4.4.12 The Group adopted an induction programme for newly appointed Directors. The induction programme aims at communicating to the newly appointed Directors, the Group's vision and mission, its philosophy and nature of business, current issues within the Group, the corporate strategy, and the expectations of the Group concerning input from Directors. The Group Company Secretary is primarily responsible for the induction programme with appropriate assistance from other Directors or Corporate Heads.
- 4.4.13 The Group adopted educational/training programmes to update the Board concerning new developments about the laws and regulations and changing commercial risks, which may affect the Board and/or the Group as a whole.
- 4.4.14 The directorships held by any Board member at any one time shall not exceed 5 in listed companies.

4.5 Term of Tenure

- 4.5.1 The term of tenure for all Directors of the Main Board will be for two (2) years and shall be limited to nine (9) cumulative years and at the discretion of the Main Board.
- 4.5.2 The term of tenure for all Directors of subsidiaries will be for one (1) or two (2) years and shall be limited to nine (9) cumulative years and at the discretion of the Main Board.
- 4.5.3 An exception to this term of tenure shall apply to subsidiaries that require one of their Board members to be the license holder for the business. For the sake of continuity, the said Director shall not be subject to the renewal exercise but instead, the said Director's tenure shall be limited to 9 cumulative years and at the discretion of the main Board.
- 4.5.4 The cooling-off period of 3 years shall apply to all Directors within the Group and senior management who have left the Group's employment to ensure a proper separation has taken place before they can come back to serve the Group as directors. Any exemption based on the above must be obtained in writing from the Group Chairman and approved by the main Board.

4.6 Board Meetings Procedures

4.6.1 Board Meetings

- 4.6.1.1 Meetings of the Board will be held at such time and at such venue as the Board deems appropriate, but it will normally meet at least quarterly or where circumstances necessitate.
- 4.6.1.2 At least half (1/2) of the total number of the Directors on Board must present during each meeting to form a quorum necessary to transact any business of the Board. Individuals in attendance at the meetings by invitation may participate in the discussion but do not form part of the quorum and are not entitled to vote.
- 4.6.1.3 At all meetings of the Board, the Group Chairperson of the Board, if present, shall preside. In the absence of the Group Chairperson, the Members present at the meeting shall elect a Chairperson of the meeting.

- 4.6.1.4 Unless otherwise agreed, a notice of each meeting confirming the venue, time, and date, together with an agenda of the items to be discussed, shall be forwarded to each member of the Board not less than seven (7) days before the scheduled meeting.
- 4.6.1.5 The agenda of the items to be discussed, minutes and/or supporting papers shall be sent to members of Board and other attendees as appropriate, at least three (3) days before the meeting.
- 4.6.1.6 Question arising at equality of votes, the Chairperson of the Meeting shall have a second or casting vote.
- 4.6.1.7 The Secretary shall minute the proceedings and the resolutions of all meetings, including names of those present and in attendance, and to be kept by the Secretary. The minutes shall be signed by the Chairperson of the next succeeding meeting in which the minutes is confirmed.
- 4.6.1.8 A meeting shall normally be held and conducted face-to-face to enable effective decision; however, meetings may also be conducted via video or telephone conference, virtual meeting or other appropriate means as determined by the Board.

4.6.2 Circular Resolution

- 4.6.2.1 In the absence of a meeting and in cases of absolute necessity, any issues/proposal paper may be resolved through Circular Resolutions ("CR") in writing signed and approved in line with the Constitution of Company. The CR shall be as valid and effectual as if it has been passed by a meeting of the Board duly convened. The justification for the resolution through CR must be properly disclosed in the proposal papers and with the consent of the Group Chairperson.

4.7 Remuneration

- 4.7.1 The fees and any benefit payable to the Directors shall be in accordance with the Group Directors Remuneration Policy.
- 4.7.2 The review of the Group Directors Remuneration Policy shall be carried out by NRC when deemed fit.

4.8 Supply of Information

- 4.8.1 The Group aims to provide all Directors with timely and quality information and in a form and manner appropriate for them to discharge their duties effectively.
- 4.8.2 The Group Chairperson, assisted by the Group CEO and the Group Company Secretary, assesses the type of information that is required to be provided to the Board. If the information provided by the Management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.
- 4.8.3 A full agenda and comprehensive Board papers are circulated to all Directors well in advance of each Board meeting.
- 4.8.4 *Inter alia*, the Board paper include the following:
- a) Quarterly financial report and report on the Group's cash and borrowing position;
 - b) Minutes of the meetings of all Committees of the Board and subsidiary companies;
 - c) A current review of the operations of the Group;
 - d) Reports on Related Party Transactions and Recurrent Related Party Transactions; and
 - e) Annual Management Plans.
- 4.8.5 Any approval given by the Group Chairman or any of the Board members outside the Board meeting or without the consensus of the entire Board must be tabled and presented at the forthcoming Board meeting for ratification and must be reflected in the Board minutes.
- 4.8.6 Full Board minutes of each Board meeting are kept by the Group Company Secretary and are available for inspection by any Director during office hours.
- 4.8.7 Minutes of Board of Directors' meetings and the Board papers are private and confidential in nature and therefore contain sensitive information. The minutes and the Board papers shall not be privy to others except for the Board of Directors, Group CEO, Group Company Secretary, Internal and External Auditors.

5. Group Chairperson and Group Chief Executive Officer (Group CEO)

The respective roles and responsibilities of the Board and management are set out and understood to ensure the accountability of both parties. As such, the Group Chairperson (i.e. Non-Executive Chairman), together with the Group CEO, has developed the descriptions for their respective functions. In addition, the Group Chairman has also developed and agreed by the Group CEO, the corporate objectives, which include performance targets and long-term goals of the business, to be met by the Group CEO.

5.1 Group Chairperson

- 5.1.1 The Group Chairperson is responsible for the leadership of the Board in ensuring the effectiveness of all aspects of its role. The Group Chairperson is responsible for instilling good corporate governance practices, leadership, and effectiveness of the board.
- 5.1.2 The positions of the Group Chairperson and Group CEO are held by different individuals.
- 5.1.3 The Group Chairperson should not be a member of any of the Board Committees of IIUM Holdings.
- 5.1.4 The Group Chairperson is responsible for:
 - a) presiding the Chair at General Meetings and Board meetings;
 - b) ensuring the effective operation of the Board and its committees in conformity with the highest standards of corporate governance;
 - c) engaging the Board in assessing and improving its performance;
 - d) ensuring the provision of accurate, timely, and clear information to Directors;
 - e) ensuring effective communication with the shareholder and relevant stakeholders;
 - f) facilitating the effective contribution of Directors by ensuring that they are all involved in discussions and decision-making;
 - g) ensuring constructive relations being maintained between Directors and Group CEO and maintaining the relationship trust between them; and

- h) supporting the Group CEO in the development of strategy and, more broadly, to support and advise the Group CEO accordingly.

5.1.5 The Group Chairperson, in consultation with the Group CEO and the Group Company Secretary, sets the Agenda for Board meetings and ensures that all relevant issues are on the agenda.

5.1.6 The Group Chairperson is responsible for managing the business of the Board to ensure that:

- a) All Directors are properly briefed on issues arising at Board meetings.
- b) Sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparations for the Board's discussion.
- c) The issues discussed are forward-looking and concentrate on strategy.

5.1.7 The Group Chairperson ensures that every Board resolution is put to vote to ensure the will of the majority prevails.

5.1.8 The Board shall ensure no prolonged vacancy for the Group Chairperson position for more than six months.

5.2 Group Chief Executive Officer (Group CEO)

5.2.1 The Group CEO is the conduit between the Board and the Management in ensuring the success of the Group's governance and management functions. The Group CEO is responsible for:

- a) developing strategy proposals for recommendation to the Board and ensuring that the agreed strategies are reflected in the business;
- b) developing annual plans, consistent with the agreed strategies, to be presented to the Board for support;
- c) to plan human resourcing in ensuring that the Group has the capabilities and resources required to achieve its plan;
- d) developing an organizational structure and establish processes and systems to ensure the efficient organization of resources;

- e) to be responsible to the Board for the performance of the business consistent with the agreed plans, strategies, and policies;
 - f) leading the executive team, including the development of performance contracts and appraisals;
 - g) ensuring that the financial results, business strategies, and, where appropriate, targets and milestones are communicated to the investment community;
 - h) developing and promoting effective communication with shareholders and other relevant constituencies;
 - i) ensuring that the business performance is consistent with the Business Principles;
 - j) ensuring that robust management succession and management development plans are in place and presented to the Board from time to time;
 - k) developing processes and structure to ensure that the capital investment proposals are reviewed thoroughly, that associated risks are identified and appropriate steps being taken to manage the risks;
 - l) developing and maintaining an effective framework of internal controls over risk concerning all business activities including the Group's trading activities;
 - m) ensuring that the flow of information to the Board is accurate, timely, transparent, and clear;
 - n) establishing a close relationship of trust with the Chairperson, reporting key developments to him, promptly and seeking advice and support as appropriate; and
 - o) engaging with the relevant shareholders and stakeholders.
- 5.2.2 The Group CEO has the executive responsibility for the daily operation of the Group's business.
- 5.2.3 The Group CEO implements the policies, procedures and processes, strategies and decisions adopted by the Board.
- 5.2.4 All Board authorities conferred on Management is delegated through the Group CEO and this will be considered as the Group CEO's authority and accountability as far as the Board is concerned.

6. Subsidiary Chairperson and Chief Executive Officer (CEO) of Subsidiary

The responsibility and accountability of the Subsidiary Chairman (i.e. Non-Executive Chairperson) and the CEO of Subsidiary is the same and shall emulate the responsibility and accountability of the Group Chairperson and the Group CEO as stated in clause 5 of this Board Charter whereby the respective roles and responsibilities of the Board and management are set out and understood to ensure the accountability of both parties.

However, the additional responsibilities of the Subsidiary Chairperson are as below:

6.1 Subsidiary Chairperson

6.1.1 The Subsidiary Chairperson shall also be responsible for:

- a) ensuring effective communication with the Main Board, the ultimate shareholder and relevant stakeholders;
- b) ensuring constructive relations being maintained between Directors, Group CEO and CEO of subsidiary and maintaining the relationship trust between them; and
- c) supporting the Group CEO and CEO of subsidiary in the development of strategy and, more broadly, to support and advise the Group CEO and CEO of subsidiary accordingly.

6.1.2 The Subsidiary Chairperson, in consultation with the CEO of subsidiary, the Group CEO and the Group Company Secretary, sets the Agenda for Board meetings and ensures that all relevant issues are on the agenda.

6.2 Chief Executive Officer (CEO) of Subsidiary

6.2.1 The CEO of subsidiary is the conduit between the Main Board, the Board of Subsidiaries, the Group CEO and the Management in ensuring the success of the Group's governance and management functions. Apart from the responsibilities mentioned in item 4.2, the CEO of subsidiary is also responsible for:

- a) developing strategy proposals for recommendation to the Subsidiary Board and the Main Board and to ensure that the agreed strategies are reflected in the business;
- b) developing annual plans, consistent with the agreed Group strategies, to be presented to the Subsidiary Board and the Main Board for support;

- c) to plan human resourcing in ensuring that the subsidiary has the capabilities and resources required to achieve its plan and is within the Group HR policy and strategic planning;
- d) to be responsible to the Subsidiary Board and the Main Board for the performance of the business consistent with the agreed plans, strategies and policies of the Group;
- e) developing and promoting Subsidiary's effective communication with Main Board, the ultimate shareholder and other relevant constituencies;
- f) ensuring that the Subsidiary's business performance is consistent with the Business Principles and Plan of the Group;
- g) ensuring that the flow of information to the Subsidiary Board and Main Board is accurate, timely, transparent and clear;
- h) engaging with the relevant Main Board, ultimate shareholder and stakeholders.

6.2.2 The CEO of Subsidiary implements the policies, procedures and processes, strategies and decisions adopted by the Subsidiary Board and Main Board.

7. Board Committees

7.1 The Board of IIUM Holdings appoints Board Committees with specific terms of reference to assist in its oversight function to deal with complex or specialized issues and to use directors' time more efficiently. The Board Committees shall make recommendations for action to the Board of IIUM Holdings, which retains collective responsibility for decision making.

7.2 The Board appoints the following Board Committees with specific terms of reference to assist in its oversight function:

7.2.1 Nomination and Remuneration Committee

7.2.2 Audit and Risk Committee

7.2.3 Investment Committee

7.2.4 Procurement Committee

7.3 Nomination and Remuneration Committee (NRC)

7.3.1 The NRC comprises not less than 3 members and shall be members of the Board.

- 7.3.2 The Chairperson of NRC shall be appointed by the Board.
- 7.3.3 At least half (1/2) of the total number of the members on committee must be present during each meeting to form a quorum necessary to transact any business of NRC. Individuals in attendance at the meetings by invitation may participate in the discussion but do not form part of the quorum and are not entitled to vote.
- 7.3.4 The Group Company Secretary or his/her nominee shall be the Secretary to NRC.
- 7.3.5 In line with good corporate governance, any matter/issue that relates to any of the NRC members, the respective member should be excused from the discussion and abstain from voting.
- 7.3.6 Directors who are not members of the NRC and the Group's Corporate Head may attend the meetings when required.
- 7.3.7 Meetings of the NRC shall be held as and when required.
- 7.3.8 The Board will review the performance of the NRC annually.

7.4 Audit and Risk Committee (ARC)

- 7.4.1 The ARC comprises not less than 3 members and shall be from the Main Board.
- 7.4.2 At least one member of the ARC shall be a member of the Professional Accounting Bodies.
- 7.4.3 No alternate Director can be appointed as a member of the ARC.
- 7.4.4 The Chairperson of ARC shall also be a non-executive director of the Main Board.
- 7.4.5 At least half (1/2) of the total number of the members on committee must be present during each meeting to form a quorum necessary to transact any business of ARC. Individuals in attendance at the meetings by invitation may participate in the discussion but do not form part of the quorum and are not entitled to vote.
- 7.4.6 The Group Company Secretary or his/her nominee shall be the Secretary to ARC.
- 7.4.7 In line with good corporate governance, any matter/issue that relates to any of the ARC members, the respective member should be excused from the discussion and abstain from voting.

7.4.8 The ARC meets quarterly to carry out its functions and more frequently as circumstances require. The ARC is responsible for assessing annually the qualification, expertise and resources, and independence and objectivity of the external auditors, and the effectiveness of the audit process, including the cost-effectiveness of the audit and also for recommending the person or persons to be nominated to act as the External Auditor and the remuneration and terms of engagement of the External Auditor.

7.4.9 Directors who are not members of the ARC, the Group's Corporate Head, the Group Internal Auditor, and representatives of the external auditors may attend the meetings when required.

7.4.10 The Board will review the performance of the ARC annually.

7.5 Investment Committee (IC)

7.5.1 The IC comprises of not less than 3 members and shall be members of the Board.

7.5.2 The Chairperson of IC shall be appointed by the Board.

7.5.3 At least half (1/2) of the total number of the members on committee or three (3) members, whichever is higher, must be present during each meeting to form a quorum necessary to transact any business of IC. Individuals in attendance at the meetings by invitation may participate in the discussion but do not form part of the quorum and are not entitled to vote.

7.5.4 The Group Company Secretary or his/her nominee shall be the Secretary to IC.

7.5.5 In line with good corporate governance, any matter/issue that relates to any of the IC members, the respective member should be excused from the discussion and abstain from voting.

7.5.6 Directors who are not members of the IC and the Group's Corporate Head may attend the meetings when required.

7.5.7 Meetings of the IC shall be held as and when required.

7.5.8 The Board will review the performance of the IC annually.

7.6 Procurement Committee (PC)

7.6.1 The PC comprises not less than 3 members and shall be members of the Board.

- 7.6.2 The Chairperson of PC shall be appointed by the Board.
- 7.6.3 At least half (1/2) of the total number of the members on committee or three (3) members, whichever is higher, must be present during each meeting to form a quorum necessary to transact any business of PC. Individuals in attendance at the meetings by invitation may participate in the discussion but do not form part of the quorum and are not entitled to vote.
- 7.6.4 The Group Company Secretary or his/her nominee shall be the Secretary to PC.
- 7.6.5 In line with good corporate governance, any matter/issue that relates to any of the PC members, the respective member should be excused from the discussion and abstain from voting.
- 7.6.6 Directors who are not members of the PC and the Group's Corporate Head may attend the meetings when required.
- 7.6.7 Meetings of the PC shall be held as and when required.
- 7.6.8 The Board will review the performance of the PC annually.

8. Appointment of Key Personnel

- 8.1 The Group Chief Executive Officer (GCEO) is the conduit between the Board and the Management of IIUM Holdings in ensuring the success of the IIUM Holdings Group's governance and management functions.
- 8.2 The Group Chief Financial Officer (GCFO) oversees IIUM Holdings financial operations and is responsible for tracking cash flow and financial planning and analyzing the company's financial strengths and weaknesses and proposing strategic directions.
- 8.3 The recruitment and appointment of the GCEO and GCFO must obtain approval from the NRC before recommending to the Board of IIUM Holdings for approval and subsequently thereafter to be endorsed by the BOG.
- 8.4 IIUM Holdings aims to set the remuneration package at levels that are sufficient to attract and retain the GCEO and GCFO needed to run IIUM Holdings Group successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal.

- 8.5 A formal independent review of the GCEO and GCFO remuneration is determined by the NRC after giving due consideration to the compensation levels for comparable positions among other similar companies in nature and size and upon completion to present to the Board of IIUM Holdings for approval.
- 8.6 The GCEO and GCFO must be assessed to have met all the fit and proper criteria relating to probity, personal integrity and reputation, competency and capability, and financial integrity.
- 8.7 The GCEO and GCFO shall have a service contract with the parent company, IIUM Holdings Sdn. Bhd.

9. Shareholders' Right

9.1 Shareholders' Reserved Matters

- 9.1.1 IIUM being the sole shareholder of IIUM Holdings has the privilege of having the shareholders' rights preserved under the Companies Act 2016 (CA2016). These rights include but not limited to the following:
- a) Approval for issuing and allotting shares, granting rights to subscribe for shares, converting any security into shares or allotting shares under an agreement or option or offer;
 - b) Change of Company's Name;
 - c) Alteration or amendment of the company's constitution;
 - d) Acquisition/Disposal of asset (>25% of Total Asset) or (>25% of Total Net Profit) or (>25% of issued Share Capital);
 - e) Substantial Related Party Transaction;
 - f) Merger & Acquisition / Takeover (Scheme of arrangement);
 - g) Removal Directors/Auditors;
 - h) Appointment of Auditors;
 - i) Re-appointment of Auditors; and
 - j) Voluntary Winding Up
- 9.1.2 In addition to the above, IIUM, as the case may be, will consider the desirability of reserving other matters over which a shareholder resolution is required.

9.2 Appointment of IIUM Corporate Representative

- 9.2.1 The BOG shall appoint a Corporate Representative(s) to IIUM Holdings and shall convey the appointment to IIUM Holdings by way of Certificate of Corporate Representative(s).
- 9.2.2 The Corporate Representative(s) shall attend all General Meetings of IIUM Holdings that are deemed to be held.
- 9.2.3 The corporate representatives(s) shall be entitled to exercise the same powers on behalf of the IIUM as the IIUM could exercise if it was an individual member of IIUM Holdings.

9.3 Extraordinary General Meeting (EGM)

- 9.3.1 The EGM of the Company and its subsidiary companies are to be convened as and when is required following the provisions of the Companies Act 2016.
- 9.3.2 The Agenda for the EGM as prescribed in the Companies Act 2016 are as follows:
 - a) Removal of Director; and/or
 - b) Removal of Auditors.

10. Investor Relations and Shareholder Communication

- 10.1 The Board acknowledges the need to maintain timely and effective communications with its shareholder whereby the shareholder should be fully informed about the Group and able to have access to all material business matters affecting the Group and as such adopts an effective, open, and transparent policy for communication with the shareholder.
- 10.2 The Board acknowledges all communications with media and stakeholders shall be conducted in a manner that does not contravene the Group AGPs and/or other applicable regulations and which strive to convey a positive and professional image of the Group.
- 10.3 The Board ensures the timely release of financial results on yearly basis to provide the shareholder with an overview of the Group's performance and operations during the year.
- 10.4 The Group's website provides easy access to corporate information about the Group and its activities and is continuously updated.

11. Relationship with Other Stakeholders

Good stakeholder management will support an organization's strategic objectives by interpreting and influencing both the external and internal environments and by creating positive relationships with stakeholders through appropriate management of their expectations and agreed objectives.

The Board shall ensure preserving the trust of the stakeholders is high on the Group priority list as their engagement will massively benefit the Group and its employees. All directors must understand that the stakeholders revolve around the following:

11.1 Shareholder

Constantly communicating with the shareholder as this shall assist the Group to make an informed decision when venturing into potential business and provide the commitment and support for long-term sustainability.

11.2 IIUM Community

Building a good rapport with the community as they can be a valuable source of information for the Group, whilst at the same time may learn something from the Group as well.

11.3 Clients/Customers

The Board must make sure that the product and services quality and safety meet the internal standards, as well as the standard set by laws, regulations, and the industry.

11.4 Employees

The Board acknowledges that the employees are invaluable assets of the Group and play a vital role in achieving the vision and mission of the Group as a whole.

11.5 Environment

The Board acknowledges the need for environmental conservation and improvement of the health of the environment by attempting to balance relations between humans and the various natural systems on which they depend in such a way that all the components are accorded to a proper degree of respect.

The Group supports initiatives on environmental issues.

11.6 Corporate Social Responsibility

The Board acknowledges that the Group should create a positive impact on the welfare of the local community while doing business.

The Group must sustain equilibrium between the economy and the ecosystem either through passive action (by avoiding engaging in socially harmful acts) or through active actions (by performing activities that directly advance social goals such as supporting charitable causes and initiatives on community development projects).

11.7 Others

Engaging with other stakeholders can bring important issues to light and shall also encourage the Group to develop corporate social responsibility, especially to those who are affected by the Group's decisions.

12. Group Company Secretary

- 12.1 The Board appoints a suitably qualified and competent Group Company Secretary, who plays an important advisory role, and ensures that the Group Company Secretary fulfills the functions for which he/she has been appointed.
- 12.2 The Group Company Secretary is accountable to the Board through the Chairperson of the Board and Committees on all governance matters.
- 12.3 The Group Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures, and regulations affecting the Group as a whole.
- 12.4 The Group Company Secretary should advise Directors of their obligations to adhere to matters relating to:
 - a) disclosure of interest
 - b) disclosure of any conflict of interest in a transaction involving the Company
 - c) restrictions on disclosure of price-sensitive information
 - d) advise the Board on its roles and responsibilities
- 12.5 The Group Company Secretary must keep abreast of, and inform, the Board of current governance practices and assist the Board in applying corporate governance practices to meet the Board's needs and stakeholders' expectations.

- 12.6 The Board members have unlimited access to the professional advice and services of the Group Company Secretary.
- 12.7 The Group Company Secretary shall serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

13. Director's Conflict of Interest Policy

- 13.1 A Director must at all times exercise his powers for a proper purpose and in good faith in the best interest of the Company.
- 13.2 A "conflict of interest" refers to a personal financial or non-financial interest that actually or potentially impairs a person's objectivity or ability to act independently, or which a person derives personal gain, benefit or advantage from actions or decisions made in the person's official capacity or that of the person's family members or associates.
- 13.3 Therefore, a conflict of interest is a situation where the personal or business interests of a person conflict with the best interest of the Company.

13.4 Disclosure of Director's Interests

- 13.4.1 A Director shall disclose to the Board the nature and extent of his interest, whether directly or indirectly, in any transaction or arrangement (Transaction) with the Group as soon as practicable after the relevant facts have come to his/her knowledge; and if the transaction or arrangement or proposed transaction or arrangement is being deliberated at a board meeting, before the commencement of that deliberation, by way of a written notice to all members of the Board and the Company Secretary.
- 13.4.2 The interested Director shall be counted only to make the quorum at the meeting of the Board of Directors but shall be prohibited from making, participating in the making, influencing or attempting to influence any decision to the Transaction and shall not be allowed to vote on the Transaction.
- 13.4.3 The interested Director shall not execute any document on behalf of the Company in relation to the Transaction in which the said Director is conflicted.
- 13.4.4 A Director shall disclose to the Board **any other interest** in the Transaction relating to the affairs of the Company, which may give rise to, or be perceived to give rise to, a real or substantial possibility of conflict upon first appointment or at least annually thereafter or when changes occur, the Director shall serve a written notice ("Notice of Interest") to the Company Secretary of the Company.

- 13.4.5 In the event of uncertainty whether a matter constitutes a conflict of interest, the Director shall obtain legal advice and/or consult with the Company Secretary.
- 13.4.6 A Director of a company shall not be deemed to be interested:
- i. If the Transaction involves a loan to the company that the director has guaranteed or co-guaranteed, either fully or partially, the repayment of the loan; or
 - ii. If the Transaction is for the benefit of or on behalf of wholly-owned subsidiaries within IIUMH Group
- 13.4.7 Disclosure of interest shall not apply to:
- i. Any contract or proposed contract to be entered into with the IIUM;
 - ii. Any contract or proposed contract to be entered into with a wholly-owned subsidiary within the IIUMH Group
 - iii. Any contract or proposed contract to be entered into between a wholly-owned subsidiary within the IIUMH Group; and
 - iv. Any contract or proposed contract of indemnity against any loss which any Director may suffer because of becoming or being a surety for a company.
- 13.4.8 Where there is any change in the nature and extent of the Director's interest subsequent to the disclosure, the Director shall make a further disclosure of such changes.

13.5 Disclosure of Director's interest in related party transactions

13.5.1 Definitions:

- i. "related party transaction" means a transaction entered into by the IIUMH or its subsidiaries which involves the interest, direct or indirect, of a related party.
- ii. "related party" means a Director, major shareholder or person connected with such Director or major shareholder.
- iii. "interest" shall have the meaning of "interest in shares" given in section 8 (4) of the CA, where a person shall be deemed to have an interest in a share where a body corporate has an interest in a share and:
 - a. the body corporate is, or its Directors are accustomed or is under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of that person in relation to that share;
 - b. that person has a controlling interest in the body corporate; or
 - c. that person and his associates are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in the body corporate.

- iv. “persons connected with Directors” means the person is:
 - a. A member of the Director’s family, i.e., the Director’s spouse, parent, child, including an adopted child
 - b. and stepchild, brother, sister and the spouse of the Director’s child, brother or sister;
 - c. A body corporate which is associated with that Director. A body corporate is associated with a Director if:
 - i. the body corporate is accustomed or is under the obligation, whether formal or informal, or the majority of Directors of the body corporate is accustomed, to act in accordance with the directions, instructions or wishes of that Director;
 - ii. that Director has a controlling interest in the body corporate; or
 - iii. that Director, or persons connected with that Director, or that Director and persons connected with him, are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate;
 - d. A trustee of a trust, other than a trustee for an employee share scheme or pension scheme, under which that Director or a member of the Director’s family is a beneficiary; or
 - e. A partner of that Director or a partner of a person connected with that Director.

13.5.2 A Director with any interest, direct or indirect, (“interested Director”) must abstain from board deliberation and voting on the relevant resolution in respect of the related party transaction.

13.5.3 In a meeting to obtain shareholders’ approval, a related party (i.e., interested Director) with any interest, direct or indirect (“interested related party”), must not vote on the resolution in respect of the related party transaction and must ensure that persons connected with it abstain from voting on the resolution in respect of the related party transaction.

13.5.4 An interested Director in a related party transaction must inform the relevant Board of Directors approving the transaction, of the details of the nature and extent of his interest, including all matters in relation to the proposed transaction that he is aware or should reasonably be aware of, which is not in the best interest of the listed issuer or its subsidiary, as the case may be.

13.6 Confidential information includes information in the possession of the Company and matters that have been discussed at the Board meeting or that are the subject matter of a report to the Board or a board resolution. Such confidential information shall remain confidential until an authorisation is given by the Board for the release of the said information.

- 13.7 No Director shall disclose or release the content of the deliberations, report or resolution and any other confidential information in either oral or written form except when required by law or authorised by the Board to do so. No Director shall use confidential information for personal or private gain, or for the gain of relatives of the Director or any person or corporation.
- 13.8 The Company Secretary shall assist in relation to the following:
- 13.8.1 Ensure compliance with the Act and any other applicable laws, regulations and guidelines issued by the authorities;
 - 13.8.2 Record the disclosure(s) of conflict of interest or Notice of Interest or any declaration made by an interested Director during the Board meeting in the minutes thereof or made via electronic means to the Board of the Company; and
 - 13.8.3 If required, advise the Chairman of the Board or Board Committee and Directors of the procedures in relation to conflict of interest.
- 13.9 Any Director who fails to act in accordance with this policy will be in breach of the Director's fiduciary duty which can be penalised under the Act or any other relevant laws and regulations (which may result in the Director being liable for imprisonment/fine or result in institution of civil and/or criminal proceedings against the Director) and for any Director who also has an employer and employee relationship with the Company, disciplinary actions will be taken against the Director.
- 13.10 Conflict of interest between IIUMH and its Subsidiaries may arise when a subsidiary has opposing interests regarding the interests of IIUMH as the holding company or due to the lines of authority or information flows between the IIUMH and its subsidiaries.
- 13.11 IIUMH, as the holding company, must consider the interests of all its subsidiaries and how these interests contribute to the long-term interests of both the subsidiaries and the Group as a whole. Likewise, the subsidiary must analyse how entity-level decisions may affect IIUMH Group as a whole.
- 13.12 The following practical steps shall be observed to avoid any potential conflict of interest between the Board of IIUMH and its subsidiaries' Boards in making any business judgment:
- 13.12.1 have clear internal group policies extending to subsidiaries on matters such as conflict of interest, major transactions and related party transactions, borrowing and the provision of guarantees;
 - 13.12.2 Directors of subsidiaries must understand that their role is not a token role but one that carries duties and responsibilities as required under the applicable laws;
 - 13.12.3 the holding company shall carefully consider "approving" actions of the subsidiary's Board and avoid giving directions;

- 13.12.4 ensure that inter-group transactions are carried out on “arm’s length basis” and, where deemed necessary, external professional advice should be sought; and
- 13.12.5 record the Board’s decisions by way of minutes of meeting or Directors’ Circular Resolution and the rationale for making those decisions.

14. Application

- 14.1 The principles set out in this Charter are:
 - 14.1.1 kept under review every three (3) years and updated as practices on Corporate Governance develop and further guidelines on Corporate Governance are issued by the relevant regulatory authorities; and
 - 14.1.2 applied in practice having regard to their spirit and general principles rather than to the letter alone as well as to ensure it remains consistent with the Board’s objectives and responsibilities.
- 14.2 The Board endeavors to comply at all times with the principles and practices set out in this Charter.
- 14.3 Any updates to the principles and practices set out in this Charter will be made available on the Company’s website at **iumholdings.com.my**.

APPENDIX A – ANNUAL DECLARATION OF INTERESTS FORM

ANNUAL DECLARATION OF INTEREST

I hereby confirm that:

- a) I have received and read a copy of this Director Conflict of Interest Policy;
- b) I agree to comply with its requirements; and
- c) I understand that I owe a fiduciary duty of care to act in the best interests of the IUMH Group and in accordance with its constitutional objects.

Members Appointment(s) Outside IUMH Group	
Nature of Appointment	
Other Interests or Involvement of Connected Person <i>(Including business interests, directorships, shareholdings, elected office, trusteeship, other public appointments, which may be relevant to any provisions of this Policy).</i>	

Declared by:

.....
Name :
Designation:
NRIC/Passport:
Date:

APPENDIX B - DECLARATION OF CONFLICT OF INTEREST SITUATIONS

DECLARATION OF INTEREST

(Pursuant to Section 221 of the Companies Act 2016)

LIST OF DIRECTORSHIP, MEMBERSHIP, PARTNERSHIP, INDIVIDUAL BUSINESS INTEREST AND GENERAL NOTICE OF INTEREST

I hereby declare that as of the date hereof I am to be considered as having an interest in the contract and/or transactions in the following organisations with IIUM Holdings Sdn. Bhd. (IIUMH) and its Subsidiaries to the extent as indicated below:

Name of firm/company /partnership/LLP	Nature of Business Organisation	Name of IIUMH Group Company	Nature of Contract with IIUMH Group	Nature/ Extent of Interest (Please tick (/))		Date of Appointment (if Director/ Partner)/ Date of Share Acquisition
				Director/ Partner	Shareholder	
XX Sdn. Bhd.	Consultation Services	IIUM XX	consultant services with Project A	<input type="checkbox"/>	<input type="checkbox"/>	1 January 2024
				<input type="checkbox"/>	<input type="checkbox"/>	1 January 2024
				<input type="checkbox"/>	<input type="checkbox"/>	Nil
				Others (family please specify)		

I declare that the above details are accurate and correct to the best of my knowledge. I also acknowledge that I shall make another declaration to state any change in any matter contained in this declaration within 14 days after the change occurs and shall provide further information on the particulars contained in this Declaration if so required.

IIUM Holdings Sdn. Bhd. and its subsidiaries reserve the right to verify this information and that I am aware of the consequences which may derive from any false circulation in respect of the information provided.

Declared by:

.....
 Name :
 Designation:
 NRIC/Passport:
 Date:

**APPENDIX C – CONFLICT OF INTEREST DISCLOSURE
(Meeting Disclosure)**

Meeting Date:

Board Committee

Meeting Type: Regular Special

I acknowledge and agree that an actual or perceived conflict of interest actually or potentially impairs a person's objectivity and ability to fulfil in good faith in the best interest of the Company. I have read and understood the Director's Conflict of Interest Policy, and the Process for Disclosure of Director's Interest.

I agree to take all reasonable steps to avoid any direct or indirect conflict of interest from arising and, if one cannot be avoided, I undertake to declare any direct, indirect, or potential conflict of interest and to recuse myself from any consideration of the matter at issue.

I have NO conflict of interest to report regarding any of the agenda items to be discussed at the above noted meeting.

I declare a conflict of interest with one or more of the agenda items to be discussed at the above noted meeting.

Remarks:

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I declare that the above details are accurate and correct to the best of my knowledge. I also acknowledge that I shall make another declaration to state any change in any matter contained in this declaration within 14 days after the change occurs and shall provide further information on the particulars contained in this declaration, if so required.

IIUM Holdings Sdn. Bhd. and its subsidiaries reserve the right to verify this information and that I am aware of the consequences which may derive from any false circulation in respect of the information provided.

Declared by:

.....
Name:
Designation:
NRIC/Passport:
Date: