

LANDMARKS

LANDMARKS BERHAD
(185202-H)

BOARD CHARTER

1 Introduction

The Board of Landmarks Berhad (“LB” or the “Company”), appointed by its shareholders, is accountable to them for the performance of the LB Group of Companies (“LB Group”). The LB Board (“Board”) fulfills this accountability by ensuring that LB has an appropriate corporate governance structure aimed at creating and protecting shareholder value.

The Board derives its authority to act from the shareholders mandate in accordance with the Memorandum and Articles of Association of the Company and all other relevant laws of Malaysia.

2 Purpose

This Board Charter, which is established by the Board, sets out the roles and responsibilities of the Board and the Board Committees, the composition of the Board, and the processes and procedures for convening Board Meetings, for the time being.

This Board Charter is to be a source reference to guide Board members and senior management. It will also assist the Board in assessment of its own performance and that of its individual Directors.

3 The Board

The Board should consist of qualified individuals with different backgrounds and specialisations, collectively bringing considerable knowledge, judgment and experience to the Board. The Directors’ stewardship responsibilities include setting policies and strategies, performance monitoring, allocation of resources, risk assessment and management as well as improving governance and controls.

The LB management is responsible to support the Board on the development of, advising on and implementation of the corporate and business strategies, policies and decisions set by the Board as well as coordinating and overseeing the day to day operations.

i) Duties and Responsibilities of the Board

Strategic and Financial Objectives of the LB Group

- Evaluating, approving and monitoring the strategic and financial plans for LB Group;
- Evaluating, approving and monitoring the annual budgets and business plans and evaluating the LB Group’s performance in relation to them;
- Evaluating, approving and monitoring major capital expenditure, capital management and all major corporate transactions;
- Monitoring major litigation;
- Approving financial report to be released and related announcements;
- Approving the dividend policy and payment of dividend; and

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- Appointing External Auditors (subject to shareholders' approval);

Risk and Compliance Management

- Monitoring and reviewing LB Group's operations in relation to and compliance with the laws and policy requirements in the relevant jurisdictions;
- Approving and monitoring LB Group's risk management strategy, internal controls and reporting systems, evaluating their effectiveness and identifying and rectifying significant deficiencies;
- Approving and monitoring the compliance with the Code of Ethics and Conduct;
- Approving and applying such policies to fulfill its corporate social responsibility; and
- Dealing with sensitive or unusual matters of a material nature;

Others

- Approving the appointment, resignation and removal of the Directors, Principal Officers and Company Secretary;
- Ensuring all candidates appointed to senior management positions are suitably qualified for the post;
- Monitoring the performance of Management; and
- Establishing a succession plan.

ii) Board Composition

The Articles of Association of the Company provides that the number of directors shall be not less than 2 and not more than 20.

In accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company must ensure that at least 2 directors or 1/3 of the Board, whichever is higher are independent directors. If the number of directors of the Company is not 3 or a multiple of 3, then the number nearest 1/3 must be used.

The composition and size of the Board shall be reviewed from time to time to ensure its appropriateness.

iii) Board Tenure

The Articles of Association of the Company provides that all newly appointed directors shall retire and be re-elected by the shareholders at the Company's Annual General Meeting. Apart thereof, 1/3 of the Board or if the number of directors of the Company is not 3 or a multiple of 3, then the number nearest 1/3 shall retire from office and be eligible for re-election at every AGM.

The tenure of an Independent Director shall not exceed a cumulative term of 9 years.

4 Chairman

The roles of the Chairman in the Board are as follows:-

- Representing the Board to Shareholders;
- Ensuring the integrity and effectiveness of the governance process of the Board;

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- Maintaining regular dialogue with the Executive Director/Chief Operating Officers("COOs") over all operational matters and to consult the remainder of the Board over any matter that gives him or her cause for major concern; and
- To act as a facilitator at meetings of the Board to ensure that no member, whether executive or non-executive, dominates discussion, that appropriate discussions takes place and that relevant opinion among members and management is forthcoming.

5 Duties and Responsibilities of Management

- To manage the development activities of the LB Group;
- To manage and administer day-to-day operations of LB Group; and
- To be responsible for the overall operational and business management and profit performance of LB Group.

6 Board Committees

The Board has established the following Board Committees to assist and advise the Board in fulfilling its duties and responsibilities:-

i) Audit and Risk Management Committee ("ARMC")

The duties and responsibilities of ARMC are as follows:

External Audit

- To review the nature and scope of the audit plan with external auditors;
- To meet and discuss any key concerns with the external auditors at least twice a year without the presence of management;
- To review the audit report, external auditors' management letter and management's response;
- To assess the assistance given by employees to the external auditors; and
- To consider the appointment, re-appointment, resignation or dismissal of the external auditors and the audit fees.

Internal Audit

- To review the adequacy of the scope, functions and resources of the internal audit function and the authority to carry out its work;
- To review the internal audit programme, the processes and the results of any investigation undertaken and the recommendations from the internal audit;
- To review the appraisal or assessment of the performance of the members of the internal audit function;
- To consider the appointment or termination of senior staff members of the internal audit function or the outsourced service provider; and
- To review any major findings of internal audit investigations and management response.

Internal Controls

- To review the adequacy and integrity of internal control systems, including risk management and management information systems;
- To assess the risk management framework adopted by the LB Group and the processes employed to identify, evaluate and manage key business risks; and
- To evaluate the system of internal controls with the external auditors.

Financial Reporting

- To review the quarterly results and year-end financial statements, focusing particularly on:
 - changes in or implementation of major accounting policies and practices;
 - significant and unusual events and adjustments arising from the audit;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements.

Related Party Transactions

- To consider related party transactions and conflict of interest situations that may arise in any transaction, procedure or course of conduct.

ii) The Nomination Committee (“NC”)

The responsibilities of NC are as follows:-

- To recommend to the Board, candidates for directorships in the Company, including directors to fill the seats in Board Committees;
- To assess and review annually the boardroom diversity in respect of the required mix of skills and experience of the Board, including the core competencies which non-executive directors should bring to the Board;
- To assess annually the effectiveness of the Board, the Board Committees and the contribution of each individual director;
- To evaluate and determine the training needs of the Directors to enable them to effectively discharge their duties; and
- To review the succession plan.

iii) The Remuneration Committee (“RC”)

The responsibilities of RC are as follows:-

- To review, assess and recommend to the Board the remuneration packages of the Directors and senior management in all forms including bonuses, allowances and expenses;
- Ensure the levels of remuneration be sufficiently attractive and be able to retain Directors and senior management needed to manage the Company successfully; and
- Consider and examine such other matters relating to remuneration and rewards, as the Remuneration Committee considers appropriate or as may be determined by the Board.

iv) The Option Committee (“OC”)

The responsibility of OC is as follows:-

- To administer the LB Group Employees’ Share Option Scheme (“Scheme”) in accordance with the By-Laws of the Scheme and in such manner as it shall in its discretion deem fit and within such powers and duties as are conferred upon it by the By-Laws and the Board of the Company.

7 Board Meeting

The Board schedules at least four (4) meetings a year at quarterly intervals with additional meetings convened whenever urgent and important matters or decisions are required. The Board will deliberate and consider a variety of matters including the LB Group's strategies and policies, corporate governance, risk management, corporate proposals and budgets, the LB Group's financial results, and the business plans and direction of the LB Group in the Board Meeting. The Board ensures that its decisions as well as the issues deliberated on before arriving at those decisions are properly documented and implemented.

Board members are given appropriate documentation in advance of each Board and Board Committee meeting. The reports cover the areas of corporate, financial, operational and regulatory compliance matters.

The quorum of the Board Meeting is 2 members, present in person.

Proceedings of all meetings are minuted and signed by the Chairman of the meeting upon approval by the Board at the subsequent meeting.

8 Access to Information and Independent Advice

The Board shall be supplied with appropriate and timely information to enable it to discharge its duties. The Board papers are to be comprehensive and encompass both quantitative and qualitative information so that informed decisions can be made. The Board may request for additional information whenever it deems necessary or appropriate. The management of the Company is invited to be in attendance at Board meetings to furnish clarification on issues that may be raised.

The Executive Director/COOs, after consultation with the Chairman when necessary, ensures that all Directors have complete and timely access to information. Directors shall have access to all information within the Company, whether collectively as a Board or in their individual capacity, in furtherance of their duties.

The Executive Director/COOs keep the Board informed on a timely basis of all material matters affecting the LB Group's performance and its major developments. In addition to formal Board meetings, the Chairman and the Executive Director/COOs maintain regular contact with all Directors.

All Directors have access to the advice and services of the Company Secretary on matters relating to procedures regulating the Company and their compliance by the Company. The Directors, in their individual capacity or collectively, may take independent professional advice in furtherance of their duties, whenever necessary and in appropriate circumstances, at the Company's expense. If such advice is considered necessary, it shall first be discussed with the Chairman before proceeding further.

9 Code of Ethics and Conduct

The Company's Code of Ethics and Conduct is to be observed by all Directors of the LB Group. In the performance of their duties, a Director should at all times observe the following:-

- Should devote reasonable time and effort to attend to the Company's duties required of him.
- Should at all times exercise his power for the purposes they were conferred, for the benefit and productivity of LB Group.
- Should avoid any conflict of interest especially to disclose immediately all contractual interests whether directly or indirectly within the LB Group.
- Should be conscious in the process of value creation of the interest of shareholders, employees, creditors and customers of LB Group.
- Should be aware of the Company's policy on corporate social responsibility.
- Should ensure adequate safety measures and provide proper protection to workers and employees at work places.

10 Directors' Training

In addition to the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad, the Directors will continue to undertake relevant training courses offered by training organisations to keep abreast with developments in the capital markets, relevant changes in laws and regulations and on corporate governance matters and to enhance their existing or acquire additional skills and knowledge in the discharge of their responsibilities.

11 Directors' Remuneration

The Remuneration Committee reviews and recommends the remuneration of the Executive Director/COOs and senior management to the Board for approval based on the specific targets set in the beginning of the year in relation to the performance of the LB Group and the approved operating budget. The Remuneration Committee also reviews and recommends to the Board the fees and allowances payable to the non-executive members of the Board and the Committees in accordance with the experience and level of responsibilities undertaken.

12 Company Secretary

The Company Secretary plays an advisory role to the Board and the Board Committees on issues relating to procedural and statutory requirements including their compliance.

The appointment and removal of the Company Secretary is a matter for the Board as a whole.

13 Shareholders and Other Communications

The Company is committed to promoting on-going and interactive communications with its entire shareholder base, both institutional and private investors. This link is achieved through the annual reports, the quarterly announcements and the shareholders' meetings. At the AGM and other general meetings, the Company uses this avenue to gather views of, and answers questions from the shareholders on all issues relevant to the LB Group. Shareholders participation is encouraged during the question and answer sessions in the general meetings, and for shareholders to provide suggestions and comments for consideration by management.

The Company's website, www.landmarks.com.my, further provides a comprehensive avenue for up-to-date information dissemination such as dedicated sections on corporate information including financial information and news on the LB Group.

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Further, regular meetings take place throughout the year with research analysts, institutional investors and fund managers for the betterment of the LB Group.

14 Financial Reporting

The Board shall aim to provide and present a balanced and meaningful assessment of the LB Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements and quarterly financial reports to shareholders as well as the Chairman's Statement in the Annual Report. The Audit and Risk Management Committee (and the external auditors) shall assist the Board in overseeing the LB Group's financial reporting processes and the quality of its financial reporting.

15. Review of Board Charter

This Board Charter approved by the Board shall be reviewed regularly to ensure that new laws, regulations or relevant developments having an impact on the discharge of the Board's responsibilities are taken into account.