

Board Charter

1

(INTRODUCTION)

YTL LAND & DEVELOPMENT BERHAD

Company no. 1116-M

(1. PURPOSE)

The Board Charter sets out the role, composition and responsibilities of the Board of Directors of YTL Land & Development Berhad (the "Company"/"YTL Land") (the "Board").

(2. AUTHORITY)

2.1

The conduct of the Board is governed by the Memorandum and Articles of Association of the Company, and the laws, rules and regulations governing companies in Malaysia.

2.2

Save for specific corporate decisions that require approval of regulatory authorities or shareholders as stipulated in the Articles of Association of the Company, Companies Act, 1965, Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Main LR") and other applicable rules and laws, the Board shall have full authority to make all decisions.

2.3

The Board shall also have the power to delegate specific functions and authority to its



Committees, individual Directors, or the Management.

(3. PRINCIPAL ROLES AND RESPONSIBILITES OF THE BOARD)

3.1

The Directors recognize the key role they play in charting the strategic direction, development and control of the YTL Land Group (the "Group"). Key elements of the Board's stewardship responsibilities include the following –

(a) Setting the vision, mission, goals and strategic plans for the Group with a view to maximizing shareholder value and ensuring sustainability of the Group performance;

(b) Overseeing the conduct of the Group's business operations and financial performance;

(c) Identifying principal risks affecting the Group's businesses and maintaining a sound system of internal control and mitigation measures;

(d) Succession planning;

(e) Overseeing the development and implementation of a shareholder/stakeholder communications policies; and

(f) Reviewing the adequacy and integrity of the Group's management information and internal control systems.

(3.2 CODE OF ETHICS)

The Directors observe and adhere to the Code of Ethics for Company Directors established by the Companies Commission of Malaysia, which encompasses the formulation of corporate accountability standards in order to establish an ethical corporate environment.

(3.3 CONFLICTS OF INTERESTS)

The Directors are fully apprised of the need to determine and disclose potential or actual conflicts of interest which may arise in relation to transactions or matters which come before the Board. In accordance with applicable laws and regulations, the Directors formally disclose any direct or indirect interests or conflicts of interests in such transactions or matters as and when they arise and abstain from deliberations and voting at Board meetings as required.

(4. MATTERS RESERVED FOR THE BOARD)

In the discharge of their responsibilities, the Directors have established functions which are reserved for the Board and those which are delegated to Management. Key matters

reserved for the Board's approval include overall strategic direction, business expansion and restructuring plans, material acquisitions and disposals, expenditure over certain limits, issuance of new securities and capital alteration plans.

(5. COMPOSITION AND BOARD BALANCE)

5.1

The Company is led and managed by an experienced Board with a wide and varied range of expertise to address and manage the complexity and scale of the Group's operations. This broad spectrum of skills and experience ensures the Group is under the guidance of an accountable and competent Board. The Articles of Association of the Company provides for a minimum of 3 Directors and a maximum of 20 Directors.

5.2

At any one time, at least 2 or 1/3, whichever is higher, of the Board members are Independent Directors.

5.3

Executive Directors have a direct responsibility for business operations whereas Non-Executive Directors have the necessary skill and experience to bring an independent judgment to bear on issues of strategy, performance and resources brought before the Board. The Executive Directors are collectively accountable for the running and management of the Group's operations and for ensuring that strategies are fully discussed and examined, and take account of the long-term interests of shareholders, employees,

customers, suppliers and the many communities in which the Group conducts its business.

5.4

The Independent Directors provide independent judgment, experience and objectivity without being subordinated to operational considerations. They help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

(6. CHAIRMAN AND MANAGING DIRECTOR)

The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role. The Chairman is primarily responsible for –

- (a) Leading the Board in setting the values and standards of the Company;
- (b) Orderly and effective conduct of the meetings of the Board and shareholders;
- (c) Maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
- (d) Ensuring the provision of accurate, timely and clear information to Directors;

(e) Facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors.

(6.3 Role of the Managing Director ("MD")

All Board authorities conferred on the Management is delegated through the MD and this will be considered as the MD's authority and accountability as far as the Board is concerned.

The MD is responsible for, amongst others:-

(a) Overseeing the day-to-day running of the business, implementation of Board policies and strategies, and making of operational decisions;

(b) Serves as the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions;

(c) Ensuring effective communication with shareholders and relevant stakeholders;

(d) Providing strong leadership i.e. effectively communicating a vision, management philosophy and business strategy to employees;

(e) Keeping the Board informed of salient aspects and issues concerning the Group's operations.

(7. BOARD COMMITTEES)

7.1

The Board appoints the following Board Committees with specific Terms of Reference –

Audit Committee

Nominating Committee

Independent Non-Executive Directors play a leading role in these committees. Details of the membership and summary of the terms of reference of each committee appointed by the Board are published in the Company's annual report and/or website.

7.2

Each year, the Board, through its Nominating Committee, will review the effectiveness of the Board and Board Committees as well as the contribution by each individual Director and Board Committee. The Nominating Committee will also facilitate and determine the board induction and continuing education programmes to be provided for the Board in areas that would best strengthen their contributions to the Board.

(8. DIRECTORS' TRAINING AND DEVELOPMENT)

In addition to the Mandatory Accreditation Programme required by Bursa Securities for newly appointed Directors, Board members are encouraged to attend to briefings,

conferences, seminar programmes and speaking engagements which the Nominating Committee or the Board members have collectively or individually considered as useful in discharging the Board's stewardship responsibilities.

(9. BOARD MEETINGS AND SUPPLY OF INFORMATION)

9.1

The Board meets at least once every quarter to facilitate the discharge of their responsibilities. Members of Management who are not Directors may be invited to attend and speak at meetings on matters relating to their sphere of responsibility.

9.2

Any Director may participate at a Board meeting or Committee Meeting by way of teleconferencing or by means of other communication equipment in which event such Director shall be deemed to be physically present and taken into account in ascertaining the presence of a quorum at the meeting.

9.3

Management is responsible for providing the Board with the required information in an appropriate and timely manner.

9.4

A full agenda and Board papers are circulated to all Directors well in advance of each

Board meeting. The Board papers include, amongst others, the financial results, minutes of previous meeting, Directors' circular resolutions passed, summary of securities dealings by Directors, Directors' general notices of disclosure of interests in contracts, property, offices etc.

9.5

Urgent matters that cannot wait until the next Board meeting may be dealt with by way of circulation of a Board resolution in writing.

(10. ACCESS TO INDEPENDENT PROFESSIONAL ADVICE)

Where necessary and prudent, Directors may seek independent professional advice with the Chairman's prior consent, which will not be unreasonably withheld, as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgment in decision making, at the expense of the Company.

(11. FINANCIAL REPORTING)

(11.1 TRANSPARENCY)

(a) The Company aims to present a clear and balanced assessment of the Company's financial position and future prospects that extends to the interim and price-sensitive information and other relevant reports submitted to regulators.

(b) The Board ensures that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the approved accounting standards. The Board is assisted by the Audit Committee in overseeing the Group's financial reporting processes and quality of its financial reporting.

(11.2 EXTERNAL AUDITORS)

(a) The Board has transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the external auditors through its Audit Committee.

(b) The Audit Committee also keeps under review the scope and results of the audit and its cost effectiveness as well as the independence and objectivity of the external auditors. The Company ensures that the external auditors do not supply a substantial volume of non-audit services to the Company.

(c) Appointment of the external auditors is subject to approval of shareholders at general meetings. The external auditors have to retire during the Annual General Meeting of the Company every year and be re-appointed by shareholders for the ensuing year.

(11.3 INTERNAL CONTROLS AND RISK MANAGEMENT)

(a) The Company has an internal audit function which critically reviews all aspects of the Company's activities and its internal controls. Comprehensive audits of the practices, procedures, expenditure and internal controls of all business units and subsidiaries are undertaken on a regular basis. The Head of Internal Audit has direct access to the Board through the Chairman of the Audit Committee.

(12. ANNUAL GENERAL MEETING ("AGM"))

12.1

The Company regards the AGM as an important event in the corporate calendar of which all Directors should attend.

12.2

The Company regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.

12.3

The Chairman encourages active participation by the shareholders during the AGM.

12.4

The Chairman and where appropriate, the Managing Director, respond to shareholders' queries during the AGM.

(13. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION)

13.1

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.

13.2

The Company communicates information to shareholders and the investing community through announcements that are released to Bursa Securities. Such announcements include the quarterly financial results, material transactions and other developments relating to the Group requiring disclosure under the Main LR.

13.3

In addition to the published annual report sent to all shareholders and the quarterly financial results announced to Bursa Securities, shareholders and investors can access information pertaining to the Company and its activities from the Company's website.

13.4

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

(14. RELATIONSHIP WITH OTHER STAKEHOLDERS)

In the course of pursuing the vision and mission of the Company, the Board recognizes that no company can exist by maximizing shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.

(14.1 EMPLOYEES)

(a) The Board acknowledges that the employees are invaluable assets of the Company and play a vital role in achieving the vision and mission of the Company.

(b) The Company adopts documented policies and procedures with respect to occupational safety and health with the objective of providing a safe and healthy working environment for all employees.

(14.2 ENVIRONMENT)

In acknowledging the need to safeguard and minimize the impact to the environment in the course of achieving the Company's vision and mission, the Company adopts policies that help protect the environment and contribute towards sustainable development as well as supports initiatives on environmental issues.

Board Charter

(14.3 CORPORATE RESPONSIBILITY)

(a) The Board acknowledges that the Company should play a vital role in contributing towards the welfare of the community in which it operates.

(b) The Company adopts policies and procedures that contribute towards responsible marketing and advertising of its products and services.

(c) The Company supports charitable causes and initiatives on community development projects.

(15. COMPANY SECRETARY)

15.1

The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfills the functions for which he/she has been appointed.

15.2

The Company Secretary is accountable to the Board through the Chairman of the Board and Committees on all governance matters.



15.3

The 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 Company.

15.4

The Company Secretary should advise Directors of their obligations to adhere to matters relating to –

- (a) disclosure of interests in securities.
- (b) disclosure of any conflict of interest in a transaction involving the Company.
- (c) prohibition of dealing in securities.
- (d) restrictions on disclosure of price-sensitive information.

15.5

The Company Secretary must keep abreast of, and inform the Board of current governance practices.

15.6

The Board members have unlimited access to the professional advice and services of the Company Secretary.

(16. REVIEW OF THE BOARD CHARTER)

The Board Charter will be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.