

THE BOARD OF DIRECTORS' CHARTER

1. OBJECTIVE OF THE CHARTER

- 1.1 The Board Charter formalises and sets out the role and responsibilities, composition, operation and processes of the Board of Directors ("**Board**") of Lafarge Malaysia Berhad ("**Company**") and its subsidiaries.

2. AUTHORITY

- 2.1 The conduct of the Board is governed by the Company's Memorandum and Articles of Association, and the laws, rules and regulations governing companies in Malaysia.
- 2.2 The Board shall have full authority to make all decisions 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, 2016, Bursa Malaysia Securities Berhad Main Market Listing Requirements and other applicable rules and laws.
- 2.3 The Board shall also have the power to delegate specific functions and authority to its Committees, individual Directors, or the management of the Company ("**Management**").

3. THE BOARD'S ROLE AND RESPONSIBILITIES

- 3.1 The role of the Board is to represent the shareholders and to promote and protect the interests of the Company. The Board is therefore accountable to the shareholders for the performance of the Company.
- 3.2 The Board assumes the following duties and responsibilities:-
- (a) reviewing and overseeing the implementation of a strategic business plan for the Company;
 - (b) monitoring the operational performance of the Company;
 - (c) overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
 - (d) identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
 - (e) reviewing the adequacy and integrity of the Company's systems of internal control and management of information;
 - (f) reviewing the independence, suitability, objectivity and cost effectiveness of the external auditors before recommending their re-appointment and remuneration to the Board; and
 - (g) reviewing and overseeing the implementation of the appropriate corporate disclosure procedures.

4. BOARD COMPOSITION

- 4.1 The Company's Articles of Association provides for a minimum of two (2) directors, with no limit to the number of directors. At any one time, at least two (2) or one-third (1/3), whichever is higher, of Board members must comprise of Independent Directors.
- 4.2 To ensure a balance of power and authority, there is a clear division of responsibility between the Chairman and the President & Country Chief Executive Officer. All decisions of the Board are based on the decision of the majority and no single director can make any decision on behalf of the Board, unless duly authorised by the Board.

5. APPOINTMENTS

- 5.1 The Board through the Remuneration and Nomination Committee continuously reviews its size and composition with particular consideration on its impact on the effective functioning of the Board. The Remuneration and Nomination Committee also undertakes an assessment of the independence of the independent directors on an annual basis to evaluate whether the independent directors can continue to bring independent and objective judgment to board deliberations.
- 5.2 The appointment of new members to the Board is carried out through a formal selection and evaluation process that has been reviewed and approved by the Board. New appointees will be considered and evaluated by the Remuneration and Nomination Committee. The Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretary will ensure that all appointments are properly made, that all necessary information are obtained, as well as all legal and regulatory obligations are met.

6. RE-ELECTION

- 6.1 In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to election by the shareholders at the Annual General Meeting following their appointment. The Articles of Association of the Company also provides that all Directors (including the President & Country Chief Executive Officer) shall retire from office at least once every 3 years. Retiring Directors may offer themselves for re-election by shareholders at the Annual General Meeting every 3 years. This provides an opportunity for the shareholders to renew their mandates. The election of each Director is voted on separately.
- 6.2 In accordance with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, the Remuneration & Nomination Committee shall assess for recommendation to the Board, that the approval of shareholders be sought at the Annual General Meeting for the re-election of independent directors who have served in that capacity for more than 9 years.

7. BOARD COMMITTEES

- 7.1 The Board of Directors delegates certain responsibilities to the Board Committees, namely the Audit Committee and the Remuneration and Nomination Committee in order to enhance business efficacy and operational efficiency. All committees have written terms of reference and the Board receives reports of their proceedings and deliberations.

8. BOARD MEETINGS

- 8.1 Prior to the meetings of the Board and Committees of the Board, a pre-set agenda together with relevant Board papers and reports are circulated to the Directors. These papers are issued in sufficient time to enable the Directors to obtain further clarification or explanation, where necessary, in order to be properly briefed before the meeting. The papers include, among others, minutes of the previous meetings of the Board and/or Board Committees (as the case may be), reports on group financial position, review of performance and industry trend, quarterly results announcements, review of the internal controls and risks and other relevant information.

9. ACCESS TO COMPANY SECRETARY AND PROFESSIONAL INDEPENDENT ADVICE

- 9.1 All Directors have access to the advice and services of a qualified and competent Company Secretary in carrying out their duties. The Company Secretary facilitates overall compliance with the Listing Requirements and the Companies Act 2016. In performing this duty, the Company Secretary carries out the statutory duties as specified under the Companies Act 2016 and the Listing Requirements, attends Board and Board Committee meetings and ensures that the Board meetings are properly convened and proceedings are properly recorded, ensures that all appointments to the Board and Committees are properly made, maintains records for the purposes of meeting statutory obligations, and facilitates the provision of information as may be requested by the Directors from time to time. The Board and individual Directors may seek advice from independent professionals, at the expense of the Company, on any matter connected with the discharge of their responsibilities.

10. APPLICATION AND REVIEW

- 10.1 The principles set out in the Board Charter are kept under review and are updated as practices on Corporate Governance develop and further guidelines on Corporate Governance are issued by the relevant regulatory authorities from time to time. The Board shall endeavour to comply at all times with the principles and practices set out in this Board Charter. The Board Charter will be published on the Company's website.



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