



BARAKAH OFFSHORE PETROLEUM BERHAD
Registration No.: 2012017022(980542-H)

BOARD CHARTER

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1. PURPOSE

The Board of Directors of Barakah Offshore Petroleum Berhad (“Barakah” or “Company”) and its subsidiary and associate companies (collectively refers to as the “Group”) are governed by the Companies Act 2016 (CA), and its Constitution and any other applicable laws or regulations in Malaysia. The Board of Directors has adopted this Board Charter to set out the role and responsibilities of the Board and those matters which are delegated to management.

The Board of Directors is accountable to shareholders and other stakeholders and has primary responsibility for the governance and management of the Group, and fiduciary responsibility for the financial and organisational health of the Group. It is responsible for the overall performance of the Group and corporate governance including its strategic direction and establishing objectives for management.

In performing its responsibilities in good faith, the Board will act:

- i. in the best interests of Barakah;
- ii. honestly, fairly and diligently; and
- iii. in accordance with the duties and obligations imposed upon it by Barakah’s constitution and the law.

This Board Charter is not an “all inclusive” document and should be read as a broad expression of principles.

2. COMPOSITION OF THE BOARD

In accordance with the Company’s Constitution, the minimum number of Directors will be two (2) and the maximum number of Directors will be twelve (12). The Board has adopted a policy of having:

- i. At least two directors or one-third (1/3) of the Board of Directors, whichever is higher, shall be Independent Non-Executive Directors; and at least one director of the Company is a woman, pursuant to Paragraph 15.02 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa”).
- ii. 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.
- iii. In the event of any vacancy in the Board of Directors, resulting in non-compliance with sub-paragraph (i) above, the company must fill the vacancy within 3 months.

The Board may review this requirement from time to time. The Board consists of Directors who have a proper understanding of the business of Barakah. Although the shareholders appoint the directors, the board will seek to ensure that the directors have a broad range of experience and expertise and have (or can develop) a thorough understanding of Barakah’s business.

Classification of Directors

i. Independent Director

Means a director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Group. Without limiting the generality of the foregoing, an independent director is one who:

- a. is not an executive director of the Group;
- b. is not, and has not been an officer of the Group within the last 3 years;
- c. is not a major shareholder of the Group;
- d. is not a family member of any executive director, officer or major shareholder of the Group;
- e. is not acting as a nominee or representative of any executive director or major shareholder of the Group;
- f. has not been engaged as an adviser by the Group under such circumstances as prescribed by Bursa or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the Group under such circumstances as prescribed by the Bursa; or
- g. has not engaged in any transaction with the Group under such circumstances as prescribed by Bursa or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than the Group) which has engaged in any transaction with the Group under such circumstances as prescribed by Bursa.
- h. has not served as an independent director of the Group for a cumulative period of more than 12 years from the date of his first appointment as an independent director.

The above criteria will satisfy the requirement for independence set in Practice Note 13 of the MMLR of Bursa.

ii. Alternate Director

Any director with the approval of the majority of Directors may appoint any person (whether a member of the Group or not) to be an Alternate or Substitute Director in his place during such period as he thinks fit and shall entitled to the rights of such director, pursuant to the Company's Constitution.

iii. Associate Director

The Directors may from time to time appoint any person to be an associate director and may from time to time cancel any such appointment. The Directors may fix, determine and vary the power, duties and remuneration of any person so appointed, but a person so appointed shall not be required to hold any shares to qualify him for appointment nor have any right to attend or vote at any meeting of Directors except by the invitation and with the consent of the Directors pursuant to the Company's Constitution.

3. AUTHORITY

With the exception of specific corporate decisions stated in the law and regulations, Companies Act 2016, and the Company's Constitution, that require the passing of ordinary or special resolutions by shareholders, the Board of Directors shall have full authority to approve all decisions. The Board shall also have the power to delegate specific functions and authority to its Committees, any individual Director, or the Management.

The Board of Directors shall form the relevant Board Committees as part of its effort to ensure that the discharge of duties is effective. The Board shall delegate certain functions to certain Committees with each operating within its clearly defined terms of reference. The Chairmen of the various Committees will report to the Board on the outcomes of the Committee meetings.

The Board has established the following committees to assist the Board in the execution of its duties:

- i. Audit and Risk Management Committee ("ARMC");
- ii. Nomination and Remuneration Committee ("NRC");
- iii. Employees' Share Option Scheme Committee ("ESOSC"); and
- iv. Executive Committee ("EXCO").

Details of the composition, responsibilities and functions shall be dictated in its respective terms of reference, shown separately from here.

4. ROLES AND RESPONSIBILITIES OF THE BOARD

In addition to those matters specifically reserved by laws, the powers and functions reserved to the Board are:

- i. approving of the overall Corporate Objectives and Terms of Reference;
- ii. approving the Group's development of long-term business strategy;
- iii. approving as required, the matters set out in Barakah's Delegated Limits of Authority ("DLA") that specifically require Board's approval for delegating an appropriate level of authority to management, and in particular, the EXCO, Executive Chairman and Group President & Chief Executive;
- iv. delegating to the EXCO on the approval of the annual business plan, budget, policies, capital expenditures, capital management and administration;
- v. appointing the members of the various Board Committees established in accordance with this Board Charter and reviewing the performance of Directors;
- vi. appointing and removing, as well as determining the terms and conditions of appointment of the Top Management (Grade S-S3);
- vii. providing guidance in the setting of performance goals, monitoring and evaluating the performance of the Top Management (Grade S-S3) against such goals;
- viii. monitoring the financial performance of Barakah and other required reportings.
- ix. reviewing and approving of the following reports in Annual Report:
 - a. Financial statements (including annual audited accounts and quarterly financial results);
 - b. Audit & Risk Management Committee Report and Internal Control Statement for the Annual Report;

- c. Statement explaining the Board's responsibility for preparing the annual audited accounts;
- d. Corporate Governance Statement in compliance with the Malaysian Code on Corporate Governance for the Annual Report;
- e. Corporate Social Responsibility Statement;
- x. recommending and authorising the distribution of interim and final dividends, subject to applicable legal requirements;
- xi. approving the issues of any shares, options, equity instruments or other securities in Barakah in accordance with the Companies Act, 2016 or any other applicable laws or regulations in Malaysia;
- xii. safeguarding the interests of the Group's shareholders, employees, customers, suppliers and the communities in which it operates;
- xiii. reviewing and ratifying systems of risk management and internal control;
- xiv. reviewing and adopting strategic plans which aim to promote sustainability;
- xv. overseeing the compliance with legal & regulatory requirements and ensuring that these are adhered to;
- xvi. succession planning matters – including appointing, training, compensating, and where appropriate replacing the Top Management whilst overseeing the human capital development;
- xvii. overseeing that the standards of work health, safety and environment, code of ethics and conduct are adhered to;
- xviii. approving the appointment, resignation or removal of Company Secretary(ies);
- xix. reviewing and proposing the appointment, re-appointment, termination and removal of external auditors and their related audit fees for approval of shareholders; and
- xx. Ensuring proper maintenance of a sound Board through regular election, re-election, rotation by retirement and filling of interim vacancies.

5. ROLES AND RESPONSIBILITIES OF THE EXECUTIVE CHAIRMAN AND GROUP PRESIDENT & CHIEF EXECUTIVE OFFICER OF BARAKAH

The roles of the Executive Chairman and Group President & Chief Executive Officer ("GPCEO") of Barakah are strictly separate and will not be exercised by the same individual to further enhance and preserve a balance of authority and accountability.

Roles and responsibilities of Executive Chairman

The Executive Chairman presides over meetings of Directors and is responsible for instilling good corporate governance practices, leadership and the effectiveness of the Board. The Executive Chairman is primarily responsible for the following:

- i. ensuring orderly conduct of the Board meetings by:
 - a. setting the agenda for each Board meeting together with the Company Secretary and the GPCEO. Other Directors and key members of Management may also be consulted;
 - b. ensuring the provision of accurate, complete, timely and clear information to the Directors;
 - c. leading Board meetings and discussions;
 - d. managing boardroom dynamics by promoting a culture of openness and debate; encouraging active participation and allowing dissenting views to be freely expressed; and
 - e. ensuring all Directors are properly briefed on issues arising at Board meetings in a timely manner.

- ii. providing leadership role in harnessing the relationship between the Board and the management in managing the affairs of the Broad and an exemplary leader for upholding the corporate image of the Group by:
 - a. taking a leading role in adopting and implementing an effective corporate governance system and practices, including Board and Committee Charters, a Committee structure and ensuring that induction as well as ongoing education programmes for Directors are in place;
 - b. ensuring that prior to new appointments to the Board, an assessment is undertaken on the candidate, which may include a competency and behavioural analysis of the candidate; and
 - c. ensuring that the Board and senior executive succession planning is considered on an ongoing basis.
- iii. ensuring effectiveness of the Board by arranging the regular evaluation of the performance of the Board, its Committees and individual Directors and discussing the performance assessment with individual Directors and Committee Chairman;
- iv. acting as the Board's representative;
- v. ensuring effective communications with the shareholders and other stakeholders;
- vi. kept fully informed of current events by the management on all matters which may be of interest to Directors; and
- vii. regularly review with the GPCEO, and such other appropriate senior officers, the progress on important initiatives and significant issues facing the Group.

Roles and responsibilities of GPCEO

The GPCEO of Barakah holds an executive function in executing the matters that has been delegated to the management. His roles and responsibilities towards the efficient and effective operation of Barakah are as follows:-

- i. responsible for the business development of the Group, including to facilitate and enhance organisational changes which results in the establishment of new businesses and the development of existing activities of the Group;
- ii. ensuring efficient and effective day-to-day operation of The Group with due care and diligence. This will require participating in the administration, co-ordination and control of the day-to-day activities of subsidiary and associate companies;
- iii. ensuring all material matters that affect the Group are brought to the Board's and/or EXCO's attention in a timely manner to promote effective decision-making by the Board and/or EXCO;
- iv. assisting the Board in exercising overall control of the Group and its activities;
- v. selecting and recommending the appointment of suitable candidates for the jobs under his direct supervision and to ensure that they are fully versed with their functions and responsibilities;
- vi. assisting the Board in establishing the Group's objectives and policies, formulating its plans to achieve such objectives, including the up-keeping and updating of the policies and procedures in line with the prevailing situation and requirements;
- vii. ensuring maximum effective utilisation of financial and non-financial resources of the Group without compromising the effectiveness of the internal control system;
- viii. facilitating and enhancing organisational changes which result from the establishment of new businesses and the development of existing activities of the Group;
- ix. creating a good working relationship environment within the Group that will maintain a high level of employees morale; and

- x. undertaking all other instructions in discharging of such duties and powers, provided always that he shall observe and comply with all resolutions, regulations and directions from time to time as approved by the EXCO or/and Board and shall keep the Board or /and EXCO fully briefed at all times.

6. QUORUM AND MEETINGS

Board meetings will be conducted in accordance with Barakah's Constitution, the Companies Act, 2016 and any other applicable laws or regulations in Malaysia.

Principally, the Board shall meet at minimum four (4) times in a financial year and at any such time(s) as it deems necessary to fulfil its responsibilities. The Quorum for Board meetings shall be at a minimum of two (2) Directors in person pursuant to the Company's Constitution, of which at least one shall be an independent director.

Members of the management, employees, and representatives of the internal and external auditors shall attend the meeting only by invitation of the Board.

7. PROCEDURES OF BOARD

Notice of a meeting of the Board shall be given to all Directors in writing in a timely manner via facsimile or email or by hand or by courier.

Board and Committee papers will contain sufficient information to enable Directors to be properly informed on the matters to be considered at the forthcoming Board and Committee meetings.

The Company Secretary(ies) who is appointed by the Board under the CA shall be responsible for preparation of agenda in consultation with the Chairman, and distribution of papers to be deliberated at the meeting to all members of the Board. The minutes of Board meetings shall be written by the Company Secretary and shall be confirmed at the next meeting and signed by the Chairman. All minutes of meetings shall be made available for inspection by the Board of Directors.

A resolution put to vote shall be decided by a majority of votes of the members present and each member shall have one vote. In the case of an equality of votes, the Executive Chairman shall have a second or casting vote.

The Board may deal with matters by way of circular resolution, signed by majority of the Board members, in lieu of convening a formal meeting. A resolution in writing signed by a majority of all Directors shall be valid and effective as if it had been passed at a meeting of the Directors duly called and constituted. All such resolutions shall be described as "Directors' Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the Company's Minutes Book. Any such resolution may consist of several documents in the like form, each signed by one (1) or more Directors. The expressions "in writing" or "signed" include approval by legible confirmed transmission by facsimile, telex, cable, telegram, email or other forms of electronic communications.

8. PROFESSIONAL ADVICE

A Director may, with the approval of the Board, obtain independent professional advice, at the Company's expense, in relation to their duties as a Director of the Group to help them carry out their responsibilities.

9. COMMUNICATIONS

The Board will maintain an effective communications policy that enables both the Board and management to communicate effectively with the shareholders and the stakeholders. The Board regards clear, balanced, comprehensive and timely reporting of all material events affecting the Group and its business as crucial. In this regard, the Board will ensure that:

- i. written disclosure policy and related procedures are prepared, maintained and enforced;
- ii. appropriate person(s) within the Group have responsibility for disclosure; and
- iii. enhancing clarity of reporting in the management discussion and analysis in relation to the Group's financial results.

10. REVIEW OF BOARD CHARTER

The Board Charter shall be reviewed by the Board annually or where necessary to ensure its relevance in assisting the Board to discharge its duties with the changes in corporate laws and regulations that may arise from time to time and to remain consistent with the Board's objectives and responsibilities.