



Members of Corporation Charter



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MEMBERS of CORPORATION CHARTER

1. Introduction and purpose of Members of Corporation Charter

The Members of Corporation Charter (the “Charter”) formalises the various roles and responsibilities of Perumahan Rakyat 1Malaysia Corporation’s (“PR1MA” or the “Corporation”) Members of Corporation (“MoC”), its Committees (the “Committees”) and individual member (“Member”) with the aim of streamlining and enhancing corporate governance practices to ensure transparency, accountability and integrity of the Group.

The Charter is governed by the Perumahan Rakyat 1Malaysia Act 2012 (“PR1MA Act” or the “Act”), incorporates provision of the Companies Act 2016 (“Companies Act”), the Malaysian Code on Corporate Governance 2017 (“MCCG”) and better practices of good governance promulgated in other authoritative requirements where necessary. The PR1MA Act shall prevail over any provisions in this Charter.

Whilst the Charter serves as a structured guide to all MoC Members, it should not be construed as an exhaustive blueprint by the MoC Members.

2. Interpretation

2.1 In this charter:

“Business” means the business of the Corporation and all its subsidiaries;

“Chairman” means the Chairman of the MoC and is used in a gender-neutral sense in accordance with the PR1MA Act 2012;

“Group” means the Corporation and all its subsidiaries;

“Management” means the management personnel of the Group; and

“MoC” means the Members of Corporation in accordance with the PR1MA Act 2012;

“MoC Committees” mean committees established by the MoC from time to time including, but not limited to the following Audit & Risk Management



Committee (“ARMC”) and Nomination and Remuneration Committee (“NRC”);

“Members” means individual member of the MoC;

“Minister” means the Minister responsible for PR1MA development and PR1MA complexes;

“PM” means Prime Minister of Malaysia;

“Secretary(ies)” means the secretary(ies) of the Corporation or the person(s) authorised by MoC to exercise the functions of a secretary of the Corporation;

“Stakeholders” mean the stakeholders of the Corporation.

3. Role of the MoC, its principal responsibilities, functions and authority

3.1. MoC responsibilities and functions

3.1.1. The MoC is collectively responsible for the proper stewardship of Corporation’s business and general policy, achieving the Corporation’s mandate and its objective to provide and maintain affordable housing for middle-income households in urban, new urban, sub urban and other areas deemed strategic, whilst taking into account interests of other stakeholders.

3.1.2. The MoC shall perform the function and exercise the powers of the Corporation not in the contrary to the provision of Section 17, 18 and 19 of PR1MA Act.

3.1.3. The MoC may delegate its functions and powers in writing, except its powers to borrow money, to raise loans or to make rules as prescribed by Section 20 of PR1MA Act.

3.1.4. Other than the above, the MOC has further authorities and powers as prescribed by the Act.



3.2. MoC authority

- 3.2.1. The MoC may from time to time by power of attorney appoint any corporation, firm, or persons or body of persons, whether nominated directly or indirectly by the MoC, to be the attorney of the Corporation for such purposes and with such powers, authorities, and discretions and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the MoC may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities, and discretions vested in him.
- 3.2.2. In relation to the conditions of service, conduct and discipline of the Corporation, the MoC is responsible to formulate the conditions of service of its employees and recommend the same to the Minister for his approval. The MoC shall have disciplinary authority over all its employees, in conjunction with the principles and provisions of the Code of Ethics, and shall exercise disciplinary control over the employees.

4. MoC Structure

4.1. MoC composition

- 4.1.1. Section 5 of the PR1MA Act provides that the MoC shall comprise of no less than seven (7) and not more than twelve (12) members:-
- 4.1.1.1 Chairman;
 - 4.1.1.2 not less than 2 but not more than 5 representatives of the Federal Government;
 - 4.1.1.3 not less than 3 but not more than 5 other members; and
 - 4.1.1.4 Chief Executive Officer (CEO)



Each Members shall be appointed by PM.

- 4.1.2. A Member of the Corporation shall not, while holding such office, hold any other office or employment, whether remunerated or not, without prior written approval of the Prime Minister as per Section 8 of the Act.
- 4.1.3. Section 9 of the Act provides that all Members with the exception of the CEO, shall be appointed for a term not exceeding two (2) years and is eligible for reappointment.
- 4.1.4. Any Member may, at any time, resign by giving notice in writing to PM and notify the Chairman of the Corporation.
- 4.1.5. PM may at any time, revoke the appointment of any members of the Corporation as prescribed under Section 12 PR1MA Act.

4.2. Role of Chairman

- 4.2.1. The Chairman assumes a leadership role in the MoC and represents the same to stakeholders of the Corporation. The Chairman is responsible for the following which includes but not limited to:
 - (a) presiding at MoC meetings and ensuring the proceedings thereof comply with good conduct and practices;
 - (b) ensuring the adequacy and integrity of the MoC governance processes;
 - (c) consulting with the MoC promptly over any matter that gives rise to a major concern;
 - (d) encourage the Members to participate in discussions and that relevant opinions amongst Members are forthcoming, resulting in logical and understandable outcomes; and
 - (e) other responsibilities as assigned by the MoC from time to time.



4.2.2. The Chairman must make up the quorum of five (5) at any Corporation meeting.

4.2.3. In the absence of the Chairman, PM may appoint temporarily any Member, other than the Chief Executive Officer ("CEO"), to act as the Chairman.

4.3. Role of Members

4.3.1. MoC and its Committees is regarded as a Member who shall at all times exercise his powers for a proper purpose and in good faith and in the best interest of the Corporation. All Members shall exercise reasonable care, skill and diligence with the knowledge, skill and experience which may reasonable be expected of a Member having the same responsibilities and with any additional knowledge, skill and experience which the Member in fact has.

4.3.2. In discharging the above responsibilities, Members are:

- (a) expected to be aware of the environment the Group is operating in;
- (b) expected to exercise diligence and avoid undeclared conflict of interest situations;
- (c) expected to understand their oversight role, including the exercise of independent and objective judgment in decision making;
- (d) expected to commit and devote sufficient time and efforts in discharging their duties responsibly;
- (e) expected to contribute actively in MoC discussion and deliberations of issues by providing sound advice based on the Members' experience and specific expertise they bring to the MoC; and



- (f) encouraged to attend regular training programmes in order to be apprised of changes in regulatory requirements the Group is subjected to.

4.3.3. A Member shall abstain from deliberation and voting on contracts or proposed contracts or arrangements in which the Member has direct/indirect interests.

4.3.4. In relation to the Integrity Unit ("IU").

- a) To ensure separate IU structure is established and responsible directly to MoC to avoid issue of pressure, isolation, rejection and unprofessional conduct in the Corporation.
- b) To ensure IU performs its predefined core functions.
- c) To approve the IU policy and procedure.
- d) Overseeing the IU performance through reporting.
- e) To direct and support the IU in maintaining integrity in the Corporation.

4.4. Role of Chief Executive Officer ("CEO")

4.4.1. In relation to the CEO, Section 24 of the PR1MA Act provides that the CEO shall be responsible for the overall administration and management of the functions and the day-to-day affairs of the Corporation.

4.4.2. In the absence of the CEO under the circumstances as provided in Section 25 of the PR1MA Act, PM may appoint temporarily any employee of the corporation to act as the CEO.

5. The MoC's reporting duties

5.1. The Statutory Bodies (Accounts and Annual Reports) Act 1980 [Act 240] shall apply to the Corporation, and the MoC shall ensure its compliance.



- 5.2. In accordance to Section 22 and 50 of the PR1MA Act, after the close of each financial year, the MoC shall review and ensure the Corporation furnish to the Minister and any public authority as may be specified by the Minister, such returns, reports, audited financial statements and information with respect to PR1MA’s activities and finances as the Ministry may, from time to time, require or direct.

6. Secretary(ies) of the Corporation (the “Secretary(ies)”)

- 6.1. The appointment and removal of the Secretary(ies) is a matter for the MoC as a whole. The Secretary(ies) shall be suitably qualified and capable of carrying out the duties required of the post.
- 6.2. The Secretary(ies) is responsible to provide secretarial services to the MoC. The Secretary(ies) is also responsible to ensure that the MoC procedures are followed and provide adequate support to the MoC for all MoC-related administrative functions.

7. MoC Committees (“Committees”)

- 7.1. The MoC may establish any committees as it considers necessary or expedient to assist it in the performance of its functions in accordance with Section 14 of the PR1MA Act.
- 7.2. Each Committee has its own Terms of Reference (“TOR”) in writing, approved by the MoC, detailing its roles and responsibilities, structure and composition. The TOR or Constitution (as being referred to in the ACT) may be altered or discontinued by the Corporation. The Committee shall also be subjected to any direction given by the Corporation.
- 7.3. Corporation may elect any of its members or any other person approved by the Minister to be the Chairman of a committee. Corporation however has the power to appoint any person to be a member of a committee.
- 7.4. A number of Committees, with written TOR have been established, namely the following:



- **Audit & Risk Management Committee (“ARMC”)**

The ARMC Committee assists and supports the MoC primarily in the areas of financial reporting, risk management, internal controls and Integrity Unit.

- **Nomination and Remuneration Committee (“NRC”)**

The NRC assists the MoC in matters relating to the selection and assessment of Members and its Committees, Member’s remuneration package, policy pertaining to employee’s remuneration and benefits schemes and corporate Key Performance Indicators (“KPIs”).

8. Access to information

8.1. All Members shall have access to Management and to information pertaining to the Corporation, including access to the Corporation auditors and consultants, relevant to the furtherance of their duties and responsibilities as Members.

9. Independent professional advice

9.1. Upon request by the Members in discharging their duties, independent professional advice may be obtained at the cost of the Corporation.

10. Members’ external commitments and conflict of interest

10.1. Member who is in any way, whether directly or indirectly, interested, whether by himself, a member of his family or his associate, in any matter under discussion by the Corporation, including contracts or proposed contracts, shall disclose his interest in accordance with Section 15 of the PR1MA Act.

11. Review of board charter

11.1. The MoC Charter shall be reviewed periodically or as and when necessary. All amendments to the Charter must be approved by the MoC.