

Role of Chairman and Chief Executive Officer or Group Managing Director

OSKH-CS-OTH-001-2

28 February 2018

OSK Holdings Berhad (207075-U)

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Revision History Log

Ver. No	Section	Section Name	Page	Details of Amendments	Effective Date	e-Circular No.
1	All	All	All	Document published	Feb 2013	NIL
2	All	All	All	Refer to Summary of Change	28 Feb 18	OSKH/CS/CIR/003

Glossary

Term	Description
"Board"	The Company's Board of Directors
"CEO" or "GMD"	Chief Executive Officer or Group Managing Director, who is the principal executive officer of the Company, by whatever name called and whether or not he is a director.
"Company"	OSK Holdings Berhad
"Director"	A member of the Board which include both executive and non-executive directors as well as executive and non-executive chairpersons.
"Executive Director(s)"	Director(s) with executive powers and who participate in the management of the Company
"Senior Management"	Executive Directors and members with management authority who report directly to the Executive Directors

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A. ROLES AND RESPONSIBILITIES

A1. Role of Chairman

1. General

- The Chairman is responsible for the leadership of the Board in ensuring the effectiveness of all aspects of its role. The Chairman is responsible for:
 - leading the Board in setting the values and standards of the Company;
 - acting as facilitator for meetings to ensure the outcome of discussions results in logical and coherent policy to guide the Chief Executive Officer ("CEO") or Group Managing Director ("GMD") and management and the performance of the Company can be monitored;
 - acting as facilitator at meetings of the Board and ensure that appropriate discussion takes place and that relevant opinion among Board Members are forthcoming;
 - arranging regular evaluation of the performance of the Board, its Committees and individual Directors;
 - facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors;
 - creating the conditions required for the effectiveness of the overall Board and individual Directors, both inside and outside the Boardroom - including the level of accountability and independent decision making;
 - building a cohesive leadership team consisting of the Board and Management;
 - managing the interface between Board and Management;
 - ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the board as a whole; and
 - leading the board in establishing and monitoring good corporate governance practices in the company.

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- The Chairman is responsible for managing the business of the Board to ensure that:
 - setting the board agenda and ensuring that board members receive complete and accurate information in a timely manner;
 - leading board meetings and discussions;
 - ensuring all Directors are properly briefed on issues arising at Board meetings;
 - ensuring sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion; and
 - ensuring the issues discussed are forward looking and concentrate on strategies and policies.
- The Chairman ensures that unless consensus is obtained, every Board resolution is put to vote to allow the will of the majority to prevail.
- The Chairman ensures that Executive Directors look beyond their executive functions and accept their full share of responsibility as a director, especially on governance.
- The Chairman chairs all Board meetings and drives discussions towards consensus, where possible. The Chairman also chairs shareholders' meetings.

End

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A. ROLES AND RESPONSIBILITIES

A2. Role of CEO / GMD

1. General

- The CEO / GMD is the conduit between the Board and the Senior Management in ensuring the success of the Company's governance and management functions.
- The CEO / GMD has the executive responsibility for the day-to-day operation of the Company's business.
- The CEO / GMD implements the policies, strategies and decisions adopted by the Board.
- All Board authorities conferred on the Management with the exception of the internal audit function are delegated through the CEO / GMD and these will be considered as the CEO / GMD's authority and accountability as far as the Board is concerned. Consequently, the CEO / GMD is answerable to the Board for the achievement of the agreed company goals within the limitations of authority granted to the CEO / GMD by the Board.
- The CEO / GMD should report to the Board at each Board meeting and advise the Board in a timely manner on:
 - all matters that materially affect the Company and its performance including any potentially strategic or politically significant developments;
 - any underperforming business/activities of the Company and outline proposals to rectify the situation;
 - all material matters that affect or could affect shareholders and the markets in which the shareholders' interests are located.
- In carrying out his duties, the CEO / GMD should operate within specified terms of reference.

- The CEO / GMD should also not:
 - substitute individual risk preferences for those of the shareholders as a whole when managing the risks of the Company;
 - allow the assets of the Company to be inadequately maintained, unnecessarily put to any risk or remain unprotected;
 - cause or permit employees or other parties doing work for the Company to be subjected to undignified, inequitable, unfair or unsafe treatment or conditions;
 - allow anything to be done that is unfair, dishonest or involves coercion or physical violence or is illegal;
 - permit payments to be made or rewards to be given unless they are in return for contributions towards achieving the agreed Board goals and are appropriate to the extent to which the contribution has furthered the agreed goals.
- The Directors may from time to time, entrust to and confer upon the CEO / GMD for the time being, such of the powers exercisable under the relevant provisions of the Constitution as they may think fit, and may confer such powers for such time, and to be exercised for such object and purposes and upon such terms and conditions, and with such restrictions as they think expedient, and may from time to time revoke, withdraw, alter, or vary all or any of such powers.
- The CEO / GMD puts adequate operational plans and financial control systems in place. He closely monitors operations and financial results in accordance with plans and budgets.
- The CEO / GMD represents the Company to major customers, employees, suppliers and professional associations.

Note:

The boundaries between the Chairman and the CEO or GMD are clearly defined and will be reviewed if there are significant changes to the Company's strategy, operations, performance or management or as and when the Board deems is necessary.

End