

# Board Charter

## 1 Introduction and purpose of Board Charter

This Charter formalises the various roles and responsibilities of the Board, Board Committees and individual Directors of Eco World Development Group Berhad with the aim of streamlining and enhancing corporate governance practices towards transparency, accountability, sustainability and integrity in boardroom activities.

This Charter incorporates the Principles, Practices and Guidance of the MCCG, the Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries (issued by the Securities Commission of Malaysia), the Listing Requirements on corporate governance, certain aspects of the Constitution of the Company and relevant provisions of the Act insofar as the duties and responsibilities of Directors are concerned. Whilst this Charter serves as a structured guide, especially for new Directors who are on-board, it shall not be construed as an exhaustive blueprint by Directors on corporate governance matters.

## 2 INTERPRETATION

### 2.1 In this Charter:-

“**Act**” means the Companies Act 2016;

“**AGM**” means annual general meeting;

“**Board**” means the board of directors of the Company;

“**Board Committees**” means committees established by the Board from time to time, including the Audit Committee, Investment Committee, Nomination Committee, Remuneration Committee and Whistle Blowing Committee;

“**Bursa Malaysia**” means Bursa Malaysia Securities Berhad;

“**CEO**” means the President/Chief Executive Officer;

“**Charter**” means the Board charter of the Company;

“**Chairman**” means the Chairman of the Board and is used in a gender-neutral sense;

“**Company**” or “**Eco World**” means Eco World Development Group Berhad;

“**Company Secretary(ies)**” means the Board secretary(ies) or the person(s) normally exercising the functions of a Board secretary;

“**COI**” means conflict of interest;

“**C-Suite Management**” means the management personnel of the Company who falls under the category of C-Suite;

“**Directors**” means members of the Board;

“**ED**” means Executive Directors;

“**Group**” means the Company and all its subsidiaries;

“**Independent Director**” or “**ID**” is defined in accordance with Paragraph 1.01 of the Listing Requirements;

“**Listing Requirements**” means Main Market Listing Requirements of Bursa Malaysia;

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

“**MCCG**” means Malaysian Code on Corporate Governance;

“**NED**” means Non-Executive Directors;

“**NINED**” means Non-Independent Non-Executive Directors;

“**Senior Management**” means senior management personnel of the Group;

“**Shareholders**” means the shareholders of the Company; and

“**TOR**” means Terms of Reference.

### **3 ROLE OF THE BOARD AND ITS PRINCIPAL RESPONSIBILITIES**

3.1 The Board is collectively responsible for the proper stewardship of the Group’s business and the creation of long-term success as well as the delivery of sustainable value to its stakeholders.

3.2 To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Company, the Board should, among others:-

- set the values, standards and strategic aims of the Company;
- review, challenge and decide on Management’s proposals for the Group, and monitor its implementation by Management;
- develop and oversee the conduct of the Group’s business, supervise and assess the Management’s performance to determine whether the business is being properly managed;
- review the adequacy and integrity of the Group’s management information and internal control systems, ensuring there is a sound framework for internal controls and risk management;

- understand the principal risks of the Group's businesses and recognise that business decisions involve the taking of appropriate risks;
- set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- ensure that Senior Management has the necessary skills and experience, taking into account the diversity factors including ethnicity, gender, age and ensure that there are measures in place to provide for the orderly succession of the Board and Senior Management;
- review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the Company's continued ability to compete effectively in the marketplace;
- ensure that the Company has appropriate policies and procedures to review performance of the Directors and C-Suite Management and to set an appropriate level of remuneration to attract and retain them;
- ensure that the Company has in place procedures to enable effective, transparent and regular communication with stakeholders;
- together with Management, establish an adequate Group-wide framework for co-operation and communication between the Company and its subsidiaries for effective oversight of the Group's (i) financial and non-financial performance to ensure integrity, (ii) business strategy and priorities, (iii) risk management including material sustainability risks, and (iv) corporate governance policies and practices;
- together with the Management, observe the following principles at all times:-
  - (a) Corporate Governance
    - promote good corporate governance culture within the Group which reinforces (i) integrity & ethical, (ii) prudent and (iii) professional behaviour by establishing a Group-wide framework on corporate governance to ensure adherence to high standards of conduct or ethics;
  - (b) Corporate Liability
    - establish an adequate procedure which can be used to reasonably protect both the Company and top management from liabilities arising from section 17A of the Malaysian Anti-Corruption Commission Act (MACC) 2009;
    - formalise a code of conduct and ethics, policies and procedures to guide the behaviour of Directors, Management and employees in addressing

and managing anti-corruption, whistleblowing, and COI (including potential COI); and

- ensure a sustainable anti-corruption compliance programme is implemented on Group-wide basis with adequate resources assigned;

(c) Sustainability

- take responsibility for the governance of sustainability in the Group, including setting the sustainability strategies, priorities and targets which are aligned with the Company's overall strategy and vision; and
- review and adopt business strategies and plan as developed by Management and ensure that these strategic plans support long-term value creation which will include economic, environmental, social as well as governance considerations underpinning sustainability of the Group.

The Code of Conduct and Ethics for Directors is set out in **Appendix A** of this Charter.

3.3 In discharging the above responsibilities, individual Directors are expected to:

- (a) maintain a sound understanding of the business and be aware of the environment the Group is operating in;
- (b) stay abreast with and understand the sustainability issues relevant to the Group and its business, including climate-related risks and opportunities;
- (c) exercise diligence and avoid COI with the Group in personal or professional capacity including improper use of the property, information, opportunity of the Group or position as a Director of the Company or engaging in business which is in competition with the Group;
- (d) disclose immediately and fully all contractual interests whether directly or indirectly with the Company;
- (e) understand their oversight role, including the exercise of independent and objective judgment in decision making;
- (f) commit and devote sufficient time to attend and participate at meetings to know what is required of the Board in discharging their duties responsibly;
- (g) contribute actively in Board discussions and deliberation of issues by providing sound advice based on the Directors' experience and specific expertise they bring to the Board;
- (h) understand financial statements and form a view on the information presented; and

- (i) abide by all the fiduciary and statutory duties and responsibilities of a Director as prescribed under Subdivision 3 of Division 2 of Part III of the Act and the Listing Requirements.

3.4 The Board reserves full decision-making powers to ensure the direction and control of the Group are in the hands of the Board. A formal schedule of matters reserved for the Board's decision is set out in **Appendix B** of this Charter.

## **4 BOARD STRUCTURE**

### **4.1 Board balance and composition**

4.1.1 The Board should consist of qualified individuals with diverse set of skills, knowledge, experiences, cultural background and gender that ensure sufficient diversity and independence in facilitating the deliberation, review and decision making.

4.1.2 Whilst the Company's Constitution allows for not less than two (2) and not more than fifteen (15) Directors, the Board shall examine and determine its size periodically in relation to the effective running of the Company's business.

4.1.3 The Board shall be helmed by a Chairman, appointed by the Board, and comprise a majority of ID with at least 30% women directors. In the event of any vacancy in the Board resulting in non-compliance of the above, the Board must ensure that the vacancy is filled within three (3) months.

4.1.4 The Board undertakes to assess the independence of ID upon his proposed appointment, annually and when any new interest or relationship develops.

4.1.5 In the event that even if a person does not fall within any of the disqualifying indicators enumerated out in Paragraph 1.01 of the Listing Requirements, both the Director and the Board must give effect to the spirit, intention and purpose of the definition of an ID. There must be a conscious application of the test of whether the said Director is able to exercise independent judgement and act in the best interests of the Company.

4.1.6 An ID who has served on the Company for a cumulative term exceeding nine (9) years may continue to serve on the Board provided the ID is re-designated as a Non-ID.

Subject to assessment of the Nomination Committee and with valid justification, an ID may remain designated as ID beyond the cumulative term of 9 years, provided that annual shareholders' approval is obtained through a two-tier voting process.

4.1.7 The Board shall also identify, from amongst its members, a Senior ID to whom concerns of fellow Directors, Shareholders or stakeholders may be conveyed.

4.1.8 The composition of the Board shall be assessed by the Nomination Committee and refreshed periodically, to ensure that the Board is of an appropriate mix of skills,

knowledge, experience, independence, competencies, and diversity (including diversity in age, cultural background and gender) to optimise the Board's performance, as a whole, and align the Board's capabilities with the Company's strategic direction.

- 4.1.9 To enhance Board effectiveness, the Nomination Committee is therefore entrusted by the Board to appraise candidates for directorship, to ensure Directors have the relevant skills, experience, expertise and time commitment, including those who retire and offer themselves for re-election, before recommending to the Board.

## **4.2 Appointment/Re-Appointment/Re-election**

- 4.2.1 The appointment, re-appointment and/or re-election of a Director is a matter for consideration and decision by the Board upon appropriate recommendation from the Nomination Committee. In making the recommendations, the Nomination Committee will consider amongst others:-

- (a) the current composition of the Board and the tenure of each Director;
- (b) the required mix of diversity in skills, experience, age, race, cultural background and gender of the Board;
- (c) the character, experience, integrity, competence, time commitment of such candidate to serve the Board effectively, taking into consideration the number of board positions held on other boards of listed and non-listed companies, and such other fit and proper criteria as set out in the Directors' Fit and Proper Policy; and
- (d) whether there is any existing or potential COI that could affect the execution of his/her role as a Director.

- 4.2.2 No active politician shall be appointed, re-appointed or re-elected as a Director on the Board or continue to serve as a Director. A person is considered as "active politician" if he/she is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.

- 4.2.3 In identifying candidates for appointment as Director, the Board does not solely rely on recommendations from existing Board members, Senior Management or major Shareholders. The Board may utilise independent sources to identify suitably qualified candidates not limited to sourcing from a Directors' Registry, open advertisements and independent search firms.

- 4.2.4 The Company's Constitution provides that every newly appointed Director shall be subjected to re-election at the immediate AGM of the Company after the appointment. Further, one third (1/3) of the Board shall retire from office and be eligible for re-election at every AGM, provided all Directors shall retire once at least in each three (3) years. The Board shall provide a statement on its support and reasons for Directors' re-appointment and/or re-election.

- 4.2.5 The annual re-election of Directors shall be contingent on the satisfactory evaluation of their performance and contribution to the Board.

### **4.3 Roles of Chairman**

4.3.1 The Chairman assumes a leadership role in the Board to ensure effective functioning of the Board in the interest of good corporate governance.

4.3.2 The Chairman is primarily responsible for the following:-

- (a) providing leadership for the Board so that the Board can perform its responsibilities effectively;
- (b) setting the board agenda and ensuring that board members receive complete and accurate information in a timely manner;
- (c) leading Board meetings and effective discussions;
- (d) encouraging active participation and allowing dissenting views to be freely expressed;
- (e) managing the interface between Board and Management;
- (f) ensuring that appropriate steps are taken to provide effective, transparent and regular communication with stakeholders and that their views are communicated to the Board as a whole;
- (g) leading the Board in the adoption and implementation of good corporate governance practices in the Company;
- (h) ensuring that sufficient time is allowed for discussion of complex or contentious issues and, if required, arranging for informal meetings or discussions beforehand to enable thorough preparation for Board discussion; and
- (i) other responsibilities as assigned by the Board from time to time.

4.3.3 The positions of the Chairman and CEO are held by two (2) different individuals to promote accountability and facilitates division of responsibilities between them. In this regard, no one individual can influence Board's discussion and decision-making. Generally, the Chairman would lead the Board in its collective oversight of management, while the CEO focuses on the business and day-to-day management of the Company.

4.3.4 The Chairman should not be a member of the Board Committees to ensure there is check and balance as well as objective review by the Board.

### **4.4 Roles of President/ Chief Executive Officer and Executive Directors**

4.4.1 The CEO, assisted by his fellow EDs, serves as a conduit between Management and the Board and is responsible to spearhead the business through effective

implementation of the Company's strategic plan and policies established by the Board and managing the daily operations of the Company.

4.4.2 Generally, the CEO, assisted by his EDs as the case may be, is responsible to the Board for the following:-

- (a) achievement of agreed Company's goals and observance of Management's performance and authorities delegated by the Board;
- (b) developing and implementing long-term strategic and short-term business plans to enable the Group to achieve growth, profitability and return on capital subject to the Board's review and adoption;
- (c) providing assistance to members of the Board and the Board Committees, as required, in discharging their duties;
- (d) assisting the Chairman in organising information necessary for the Board to deal with the agenda and for providing such information to Directors on a timely basis;
- (e) assuming full accountability to the Board for all aspects of the Group's operation and performance;
- (f) providing strong leadership and ensuring that the business objectives, strategies and policies are communicated across all levels in the Group;
- (g) ensuring that the Group's corporate identity, products and services are of high standards and reflective of the market environment; and
- (h) ensuring that organisational structure and systems are in place to develop talent and succession planning for Senior Management.

4.4.3 The Board shall receive the following from or through the CEO at its scheduled meetings:-

- (a) reports on the performance and activities of the Group for the period under review, including explanations for significant fluctuations over the period; and
- (b) where appropriate, a briefing pertaining to current and future initiatives, risk management issues, challenges faced by the Group, changes to legislations that may affect the Group's operations, litigations and other salient events or issues affecting the Group.

4.4.4 The CEO and his fellow EDs shall act within all specific authorities delegated to them by the Board.

4.4.5 In discharging the above responsibilities, the CEO can delegate appropriate functions to any member of Senior Management, including EDs, who shall report to the CEO, but remain accountable to the Board.



#### **4.5 Roles of Non-Executive Directors**

4.5.1 The roles of NEDs largely encompass the monitoring of Group's performance and contributing to the development of Company strategy, clarified as follows:-

- (a) **Strategy:** Constructively challenge and contribute to the development of Company strategy;
- (b) **Performance:** Scrutinise the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance; and
- (c) **Risk:** Satisfy themselves that the financial information presented is accurate and that financial controls as well as systems of risk management are robust and defensible.

4.5.2 Where the CEO or EDs form part of the Board, the NEDs are encouraged to meet among themselves at least annually to discuss among others, strategic, governance and operational issues.

#### **4.6 Roles of Independent Directors**

The roles of IDs broadly include the following:-

- (a) to ensure there is a proper check and balance on the Board by providing unbiased and independent views in Board deliberations and decision making, focusing on shareholders' and other stakeholders' interest, and not only the interests of a particular fraction or group, but also the minority Shareholders;
- (b) to improve corporate credibility and governance standards, functioning as a watchdog, and make significant contributions to the Company's decision making by bringing in the quality of detached impartiality; and
- (c) to make independent assessment of information, reports or statement when the interests of Management, Company and/or Shareholders diverge, such as executive performance and remuneration, related party transactions and audit matters.

#### **4.7 Roles of Senior Independent Director**

The Board shall appoint among its members a Senior ID to act as:-

- (a) a sounding board for the Chairman;
- (b) an intermediary for other Directors when necessary; and
- (c) the point of contact for Shareholders and other stakeholders.

#### **4.8 Company Secretary(ies)**

- 4.8.1 The appointment and removal of the Company Secretary(ies) is a matter for the Board, as a whole. The Company Secretary(ies), who is/are accountable to the Board, shall be suitably qualified, competent and capable of carrying out the duties required of the post.
- 4.8.2 The Company Secretary(ies) is/are expected to provide unimpeded advice and services to the Directors, as and when the need arises, to enhance the effective functioning of the Board and its Board Committees and to expedite regulatory and governance compliance.
- 4.8.3 The roles and responsibilities of the Company Secretary(ies) include the following:-
- (a) manage the logistic, attend and record minutes of all Board and Board Committee meetings as well as facilitate Board communication;
  - (b) advise the Board on its roles and responsibilities;
  - (c) support the Board on adherence to Board policies and procedures;
  - (d) facilitate the orientation of new Directors and assist in Directors' training and development;
  - (e) advise and assist the Board on corporate disclosures and compliance with company and securities regulations as well as Listing Requirements;
  - (f) manage processes pertaining to the shareholders' meetings;
  - (g) monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;
  - (h) serve as a focal point for stakeholders' communication and engagement on corporate governance issues;
  - (i) assist in the communications between the Board and Management;
  - (j) together with Chairman, ensure that Directors are provided with sufficient information and time to prepare for Board meetings; and
  - (k) carry out other functions as deemed appropriate by the Board from time to time.

#### **4.9 Board Committees**

- 4.9.1 The Board shall establish committees delegated with specific authority and operating on the TOR as approved by the Board to assist the Board in the discharge of its duties and responsibilities. In so doing, the Board should not abdicate its responsibilities and should at all times exercise collective oversight of the Board Committees and Management.

- 4.9.2 The roles and responsibilities, structure and composition of the committees as stated in the TORs will be assessed and reviewed as and when necessary to ensure the TORs are in accordance to the MCCG and Listing Requirements.
- 4.9.3 The composition of each Board Committee shall comply with the relevant requirements as enumerated in the Listing Requirements and MCCG.
- 4.9.4 The following standing committees have been established by the Board:-

**(a) Audit Committee**

The Audit Committee assists and supports the Board primarily in the area of governance structure, financial reporting process by liaising with the external auditors, reviewing and monitoring the Group's system of risk management and internal control by liaising with the internal auditors.

**(b) Investment Committee**

The Investment Committee assists the Board in deliberating and overseeing an investment decision, evaluating and recommending potential investments.

**(c) Nomination Committee**

The Nomination Committee assists the Board to oversee matters relating to the nomination and selection of new directors, annual assessment of the performance and effectiveness of the Board and Board Committees and ensure that measures are in place for succession planning of Directors, Board Committees and Senior Management.

**(d) Remuneration Committee**

The Remuneration Committee assists the Board on matters relating to the remuneration of Directors and C-Suite Management.

**(e) Whistle Blowing Committee**

The Whistle Blowing Committee assists the Board in ensuring that investigations on corporate governance practice or misconduct are carried out using the appropriate channels, resources and expertise.

## **5 BOARD PROCEDURES**

### **5.1 Board meetings**

- 5.1.1 Board meetings for each year are scheduled in advance prior to the end of the preceding financial year and circulated to the Directors and Senior Management before the beginning of each financial year. The Board meets regularly at least five times in a year. Additional Board meetings will be held as and when required.

- 5.1.2 The Chairman of the Board may elect a Director from amongst the Board members to preside as Chairman at all Board meetings.
- 5.1.3 All Directors must meet the minimum 50% attendance requirement imposed by the Listing Requirements. Senior Management who are not Directors may be invited to attend and speak at Board meetings on matters relating to their areas of responsibility. The Board may also invite external parties such as the auditors, solicitors and consultants to attend as and when the need arises.
- 5.1.4 The Directors may participate at a Board meeting by means of telephone and video conference or by means of other communication equipment. The physical presence of Director(s) is not compulsory and participation at such meeting in the aforesaid manner shall be deemed to constitute presence in person at such meeting. The Directors participating at any such meeting shall be counted in the quorum for such meeting. All resolutions agreed upon by the Directors at such a meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held.
- 5.1.5 In the event any matters requiring the Board's decision arise between Board meetings, such matters shall be resolved through circular resolution which shall be supported by relevant papers setting out details of the subject matter. Such circular resolution in writing, signed or approved by letter, electronic mail or other electronic communication by a majority of the Directors shall be as valid and effectual as if it has been passed at a Board Meeting. Such resolution may consist of several documents in like form, each signed by one or more Board members.
- 5.1.6 The Board should be informed of the decision and significant issues deliberated by the Board Committees via the reporting by the Chairman of the respective Board Committees and the minutes of the Board Committees tabled at the Board meetings.
- 5.1.7 The Board meetings shall not be combined with Board Committees' meetings to enable objective and independent discussion during the meetings.

## **5.2 Notice**

Except in the case of an emergency, notice of every Board meeting will be provided in writing at least seven (7) clear days before each meeting. In addition to notices sent through post or by hand, notices may also be sent via facsimile, electronic mail or by any means of telecommunication in a permanent written form.

## **5.3 Agenda**

The Company Secretary(ies) shall work together with the Chairman in developing the meeting agenda. The agenda shall include, amongst others, matters specifically reserved for the Board's decision.

## **5.4 Meeting papers**

- 5.4.1 Meeting papers should be clear and comprehensive in order to provide concise information to the Board to facilitate their deliberation and decision making. All

Directors are given sufficient time to review the meeting papers prior to Board meetings.

- 5.4.2 Board papers on non-financial related matters, including minutes of the previous meeting and agenda items are to be circulated at least five (5) clear days prior to the Board meeting. Materials on financial related matters will be circulated at least four (4) clear days prior to the Board meeting.

## **5.5 Voting**

- 5.5.1 Every Board Member shall have the right to speak and vote on any matters tabled at the meeting. All matters that are to be decided upon and approved by the Board shall be put to vote and passed by a majority of votes and in case of any equality of votes, the Chairman of the meeting shall have a casting vote.
- 5.5.2 Pursuant to regulatory requirements, a Director shall abstain from deliberation and voting on contracts or proposed contracts or arrangements in which the Director has direct and/or indirect interests.

## **5.6 Minutes**

- 5.6.1 All Board members shall ensure that the minutes of Board meetings accurately reflect the deliberations and decisions of the Board, including any concerns raised by Directors or dissenting views expressed. Any abstinence by any Directors from voting or deliberation on a particular matter will be recorded in the minutes.
- 5.6.2 The minutes of the Board meeting shall be distributed to Board members within 4 weeks after the meeting. The minutes shall be tabled at the following Board meeting for confirmation and thereafter for signing by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next meeting.

## **6 RELATIONSHIPS**

### **6.1 Relationship with Management**

- 6.1.1 The Management is key in collecting, scrutinising and elucidating strategic options to the Board for its review and consideration.
- 6.1.2 To enable the Board to properly exercise impartial judgement, the Management shall ensure that all information provided by it to the Board is objective, timely, relevant, accurate and complete and the Management will carry out instructions as directed by the Board.

### **6.2 Relationship with Shareholders and Stakeholders**

- 6.2.1 The Board is responsible for ensuring that the Company strategies to promote sustainability and the interests of other stakeholders, among others, employees, creditors, suppliers and customers of the Company are not compromised.

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- 6.2.2 The Board is responsible to develop and implement a communication policy that enables both the Board and Management to communicate effectively with the Company's Shareholders, stakeholders and the general public to facilitate understanding of each other's objectives and expectations including timely release of financial results on a quarterly basis to provide an overview of the Group's performance and operations.
- 6.2.3 The Board is responsible for ensuring that the Group's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.
- 6.2.4 The Board shall arrange for the general meeting of the Company to be conducted in an efficient manner, including to consider leveraging technology to facilitate electronic voting and remote Shareholders' participation, to enhance Shareholder communications for a greater understanding of the Group's business, governance and performance.
- 6.2.5 The Board shall also provide timely and relevant information to Shareholders and encourage their active participation at the general meetings, taking into account the following measures:-
- (a) notice of AGM be given to the Shareholders at least 28 days prior to the meeting;
  - (b) ensure that clear and concise explanation is included in the notice of general meetings for resolutions proposed to enable Shareholders to make an informed decision in exercising their voting rights;
  - (c) ensure that a brief description, including information such as age, gender, relevant experience, list of directorships, dates of appointments to the Board, details of participation at Board Committees, designation of Directors (Independent or Non-Independent), interest (including potential COI), position or relationship that might influence their independent judgement (if any) in a material respect, are disclosed in the Annual Report in respect of the Directors standing for appointment, re-appointment or re-election;
  - (d) the chairman shall provide reasonable time for discussion at general meetings and ensure that general meetings support meaningful and interactive engagement between the Board, Senior Management and Shareholders on among others the Company's financial and non-financial performance as well as the Company's long-term strategies. Minutes of the general meeting will be published onto the Company's website no later than 30 business days after the conclusion of the general meeting; and
  - (e) consider the need for substantive resolutions, including, but not limited to, related party transactions to receive specific Shareholders' approval and announce the detailed results of the votes cast for and against each resolution.
- 6.2.6 The Company conducts dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Management to

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convey information relating to the Company's performance, corporate strategy and other matters affecting Shareholders' interests.

## **7 ACCESS TO INFORMATION**

All Directors shall have unrestricted access to Management and to information pertaining to the Group, including access to the Company Secretary, Company auditors and consultants, relevant to the furtherance of their duties and responsibilities as Directors of the Company at the expense of Company.

## **8 INDEPENDENT PROFESSIONAL ADVICE**

- 8.1 In discharging the Directors' duties, each Board member is entitled to obtain independent professional advice at the cost of the Company.
- 8.2 Where such advice is considered necessary for the discharge of his or her duties and responsibilities as Director and, for the benefit of the Company, such Director shall first discuss it with the Chairman and bring the request to seek professional independent advice for the Board's consideration and approval. Such restriction shall not apply to ED acting in furtherance of their executive responsibilities and within their delegated powers.

## **9 DIRECTORS' TRAINING**

- 9.1 Directors are required to undergo the mandatory accreditation programme under the auspices of Bursa Malaysia. In addition, Directors are required to attend relevant training courses or seminars at periodic intervals to keep themselves abreast with corporate governance developments and regulatory requirements, including developments pertaining to the oversight function of Directors, the sustainability issues relevant to the Group and its business including climate-related risks and opportunities as well as technical matters in order to update their knowledge and skills to sustain their active participation in Board deliberation and effectively discharge their duties. Examples of training programmes are financial reporting standards, accounting and auditing standards, tax budgets, rules and regulations etc.
- 9.2 All trainings attended by Directors shall be disclosed in the Annual Report. In special circumstances, valid justifications for non-attendance at any training by Directors for the financial year shall also be disclosed.

## **10 COMMITMENTS**

- 10.1 Directors shall devote sufficient time to carry out their responsibilities. Each Director is expected to commit time as and when required to discharge the relevant duties and responsibilities, besides attending meetings of the Board or Board Committees. Each Director must not hold more than five (5) directorships in listed issuers.

- 10.2 The Board shall also consider the commitment of Directors on boards of non-listed companies.

## **11 CONFLICT OF INTEREST**

- 11.1 A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the Director's interest in accordance with the Act. The Director concerned shall not participate in deliberations and shall abstain from casting votes in any matter arising therefrom unless as otherwise provided for in the Act.
- 11.2 Should there be an actual, potential or perceived COI between the Company or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, the Director involved shall make full disclosure and act honestly in the best interest of the Company.

## **12 DIRECTORS' REMUNERATION**

### **12.1 Non-Executive Directors**

- (a) Except ID who will be paid fees and meeting allowances, NINED will be paid a remuneration comprising fees, meeting allowances and benefits for acting as Directors of the Company. The payment of remuneration to NEDs is subject to approval by shareholders at a general meeting. NEDs who are Shareholders should abstain from voting at general meeting to approve their fees.
- (b) The amount of remuneration payable to NEDs shall reflect the experience, time commitment, level of duties and responsibilities undertaken and shall be determined with reference to Group's performance including performance in managing material sustainability risks and opportunities.

### **12.2 Executive Directors**

- (a) The remuneration of EDs shall be recommended by the Remuneration Committee with the individual Director concerned abstaining from discussing his remuneration.
- (b) The remuneration package shall commensurate with the performance, skills and responsibilities expected of the Directors. The amount of remuneration payable shall be determined with reference to the Group's performance including performance in managing material sustainability risks and opportunities.



### **13 BOARD ASSESSMENT AND EVALUATION**

- 13.1 The Nomination Committee is entrusted by the Board to review the performance and effectiveness of the Board and Board Committees, including individual Directors, annually, with the assessment report, together with a report on the Board balance covering the required mix of skills, experience and other qualities of Board members for discussion at the Board meeting.
- 13.2 Company Secretaries are authorised to collate the results of the evaluation process before tabling to the chairperson of the Nomination Committee and the Board, to ensure integrity and independence of the appraisal process.

### **14 CORPORATE DISCLOSURES**

- 14.1 The Board shall have relevant corporate disclosure policies and procedures to ensure comprehensiveness, accuracy and timeliness of information disclosed. These policies and procedures shall ensure compliance with the relevant disclosure requirements as enumerated in the Listing Requirements.
- 14.2 The Board shall ensure the Company leverages on information technology in communicating with stakeholders, including a dedicated section for Investors on the Company's website, for effective dissemination of information and easy access to corporate information pertaining to the Group and its activities. The website should continuously be updated to provide the latest information such as the Board charter, terms of reference, policies and codes and the Annual Report of the Company.

### **15 REVIEW OF CHARTER**

The Board will periodically review this Charter which may be amended from time to time to ensure its relevance, effectiveness and consistent with the Company's objective, its practices and current laws.

This Charter was revised and adopted by the Board on 26 October 2023.

***Note:-***

*Should the Listing Requirements and the Act be amended for any reason whatsoever, the amendments of which affect the contents of this Charter, the amended Listing Requirements or the Act shall take precedence over this Charter.*

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**Appendix A**

**DIRECTORS' CODE OF CONDUCT AND ETHICS ("CODE")**

**Introduction and Objectives**

As prescribed by Section 213 of the Companies Act 2016 ("**Act**"), Directors of a Company shall at all times act in good faith and in the best interest of the Company. Directors shall adhere to the highest ethical standards and general principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership, to carry out their oversight responsibility in the interest of all stakeholders of the Company.

**Code**

The Directors shall observe the Code as follows:-

- (i) Comply at all times with this Code, the Board Charter and regulatory requirements;
- (ii) Act honestly, fairly and ethically with integrity, responsibility, competency and diligence, as well as act in good faith in the best interest of the Company and to fulfil their fiduciary obligations to all its stakeholders;
- (iii) Observe high standards of corporate governance, in particular the practices as set out in the Malaysian Code on Corporate Governance, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**"), Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries, the Act and the Capital Markets and Services Act, 2007;
- (iv) Limit the number of directorships to be undertaken to a number in which they can best devote their time, effort and effectiveness to attend and participate in meetings and insist on being kept informed on all matters of importance to discharge their duties as Directors;
- (v) Not to misuse information gained in the course of duties for personal gain or for any other purpose, nor seek the opportunity of the service as Directors to promote private interests or those of connected persons, firms, businesses or other organisations;
- (vi) Safeguard the Company's assets and resources;
- (vii) Not to accept positions in board committees or working groups where a conflict of interest is likely to arise, without first declaring their interest at board of directors' meeting;
- (viii) Declare any personal, professional or business interests, whether directly or indirectly, that may conflict with their responsibilities as Directors of the Company and the Directors concerned are to abstain from deliberating and voting in relation to the transactions or matters;
- (ix) Adhere to the regulatory requirements pertaining to trading or dealing in the Company's shares, including insider trading;
- (x) Not to accept or offer, directly or indirectly, any gifts, remuneration, hospitality, donations, illegal payments or any other form of gratification which are intended to or

may be perceived as having the intention to obtain, retain business or retain an advantage in the conduct of business for the Group;

- (xi) Encourage to whistle blow or report unlawful or unethical behaviour and any violation of the Code through the Whistle Blowing Policy.

#### **Review of the Code**

The board of directors will review the Code regularly to ensure that it remains relevant and appropriate.

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## **Appendix B**

### **FORMAL SCHEDULE OF MATTERS RESERVED FOR THE BOARD**

The following summarises the list of matters reserved for deliberation and decision by the board of directors (“**Board**”):-

#### **1. Board structure**

- (a) Appointment and recommendation for removal and re-election of Directors.
- (b) Appointment and removal of Company Secretary(ies).
- (c) Establishment of Board Committees, their members and the specific terms of reference.

#### **2. Board assessment and evaluation**

- (a) Conduct and review the annual assessment and evaluation on the performance and effectiveness of the Board, Board Committees and individual Directors.
- (b) Succession planning for Directors.

#### **3. Remuneration**

- (a) Recommendation of Directors’ fees and benefits payable for Non-Executive Directors to be approved by Shareholders.
- (b) Approval of remuneration packages and structure, including service contracts, for Executive Directors.
- (c) Approval of remuneration packages for C-Suite personnel.

#### **4. Company’s operations**

- (a) Review and approval of the Company’s strategic plan and annual budget (including capital expenditure budget).
- (b) Approval of capital expenditure exceeding prescribed thresholds based on the formalised limits of authority.
- (c) Approval of investment or divestment in a company, business, property or undertaking.
- (d) Approval of investment or divestment of a capital project which represents a significant diversification from the Company’s existing business activities.
- (e) Approval of major changes in the activities of the Company, including key policies.
- (f) Approval of treasury policies and bank mandates of the Company.
- (g) Approval of limits of authority for the Company.

- (h) Approval of mergers and acquisitions and corporate exercises.
- (i) Review and approval of related party transactions.
- (j) Review and approval of transactions involving conflict of interest and/or potential conflict of interest situations.

## **5. Financial**

- (a) Review and approval of quarterly and year-end financial statements and their release (including financial reports for announcement to Bursa Malaysia Securities Berhad or the Securities Commission of Malaysia).
- (b) Approval of Directors' Report, Statement on Risk Management and Internal Control for inclusion in the Company's Annual Report.
- (c) Approval of dividends for payment to Shareholders or recommendation of other distribution to the Shareholders for approval.
- (d) Adoption of accounting policies in line with the Malaysian Financial Reporting Standards.
- (e) Review the effectiveness of the Group's system of risk management and internal controls via the Audit Committee.

## **6. Sustainability**

- (a) Review and approval of sustainability strategies, key targets, performance, progress and issues.
- (b) Approval of sustainability related policies.

## **7. Others**

- (a) Granting of power of attorney by the Company.
- (b) Entering into any corporate guarantee and indemnity by the Company.
- (c) Recommendation for changes in the Company's Constitution.
- (d) Change in financial year end.
- (e) Recommendation for purchase of own shares by the Company.
- (f) Recommendation for issue of debt instruments.
- (g) Approval of Corporate Governance Overview Statement, Sustainability Statement for inclusion in the Company's Annual Report.
- (h) Approval of Annual Report, Corporate Governance Report and Sustainability Report for submission to Bursa Malaysia Securities Berhad.

- (i) Any other matters requiring the Board's approval under the limits of authority adopted by the Company and Group.