CONCRETE ENGINEERING PRODUCTS BERHAD
[Company No. 198201008420 (88143-P)]

BOARD CHARTER

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1. INTRODUCTION

1.1 Corporate ethos, key values & principles

"Building Together" is our corporate brand tagline. It communicates what we want to do and achieve as a business. We collaborate with our business partners, customers, construction industry players, the local community to build the business, the nation and the region together. We adopt the YTL core values of 'honesty, hard work, moral responsibility, togetherness and vitality' to build value that is not simply lasting, but worthy of lasting.

2. PURPOSE

2.1 Purpose of the Board of Directors of Concrete Engineering Products Berhad ("**Company**"/"**CEPCO**") ("**Board**")

The purpose of the Board is to provide strong and confident strategic leadership which leads to robust accountability, oversight and assurance for the financial performance, sustainability and enduring value of the Company.

2.2 Purpose of the Board Charter

The Board Charter serves several important functions, including as a primary reference to the Board of its role, fiduciary duties and responsibilities, its governance processes and legal framework within which it operates and as an induction tool for new Directors.

This Charter is available on the Company's website at: https://www.cepco.com.my/corporate-governance.php.

3. AUTHORITY

3.1 The conduct of the Board is governed by the Constitution of the Company, and the laws, rules and regulations governing companies in Malaysia.

3.2 Save for specific corporate decisions that require approval of regulatory authorities or shareholders as stipulated in the Constitution of the Company, Companies Act, 2016 ("**the Act**"), Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**Main LR**") and other applicable rules and laws, the Board shall have full authority to make all decisions.

3.3 The Board shall also have the power to delegate specific functions and authority to its Committees, individual Directors, or the management.

4. PRINCIPAL ROLES AND RESPONSIBILITIES OF THE BOARD

4.1 The Board charts the strategic direction, development and control of the CEPCO Group (the "**Group**"). Key elements of the Board's stewardship responsibilities include the following:

(a) Ensuring that the strategic plans for the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;

(b) Promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;

(c) Overseeing the conduct of the Group's businesses to evaluate and assess management performance to determine whether the businesses are being properly managed;

(d) Ensuring there is a framework of prudent and effective internal control and risk management systems which enable risks to be identified, assessed and managed;

(e) Succession planning for the Board and senior management;

(f) Overseeing the development and implementation of a shareholder/stakeholder communications policy;

(g) Reviewing the adequacy and integrity of the Group's management information and internal control systems;

(h) Ensuring the integrity of the Group's financial and non-financial reporting.

4.2 Code of Conduct and Business Ethics ("**CCBE**")

The Board observes and adheres to the CCBE that sets out the acceptable general practices and ethics that guide the directors and employees of the Group, and where applicable, the business associates and partners dealing with the Group. The CCBE which includes the whistleblowing policy and procedures is published on the Company's website at: https://www.cepco.com.my/corporate-governance.php.

4.3 Anti-Bribery & Corruption Policy ("**ABC Policy**")

The ABC Policy, which applies to Directors, managers and employees of the Group, ensures that everyone understands his/her responsibilities in compliance with the Group's zero tolerance for bribery and corruption within the organisation. The policy is published on the Company's website at: https://www.cepco.com.my/corporate-governance.php.

4.4 Conflict of Interests Policy ("**COI Policy**")

The COI Policy, which applies to the Directors and key senior management of the YTL Group, ensures that any actual or potential conflict of interest are appropriately dealt with or managed. This policy should be read together with relevant laws, regulations and guidelines governing duties and conduct of directors, the policies of the YTL Group, including the CCBE and ABC Policy, and provisions of the constitutions of the corporations within the YTL Group.

4.5 Dealings in securities

Directors are to be mindful of their obligation to not deal in the securities of CEPCO or other listed securities as long as they are in possession of price-sensitive information relating to such listed securities. Prior to every 'Closed Period' for dealing in securities, the Board will be sent reminders via email (comprising a write-up of the relevant requirements under the Main LR, the Act and the Capital Markets and Services Act 2007, including the procedures that need to be complied with for dealings during and outside 'Closed Period' and sample notices that the Directors would need to provide the Company if they do deal in the securities) to ensure no lapse in compliance.

5. MATTERS RESERVED FOR THE BOARD

Key matters reserved for the Board's approval include overall strategic direction, business expansion and restructuring plans, material acquisitions and disposals, expenditure over certain limits, capital management initiatives including payments of dividends, issuance of new securities and capital alteration plans.

6. COMPOSITION AND BOARD BALANCE

6.1 To maintain a strong and effective Board to address and manage the complexity and scale of the Group's operations, the Board seeks to ensure that all appointments are made on merit, taking into account an appropriate mix of skills, experience, expertise and diversity in age, gender, ethnicity, background, perspective and insight.

6.2 The Board shall comprise no less than the minimum number of Directors prescribed in the Act and/or Constitution of the Company. At any one time, at least 2 or $^1/_3$, whichever is higher, of the Board members are Independent Directors.

6.3 Executive Directors have a direct responsibility for business operations whereas Non-Executive Directors have the necessary skills and experience to bring an independent judgment to bear on issues of strategy, performance and resources brought before the Board. The Executive Directors are collectively accountable for the running and management of the Group's operations and for ensuring that strategies are fully discussed and examined, and take account of the long-term interests of shareholders, employees, customers, suppliers and the many communities in which the Group conducts its business.

6.4 The Independent Directors provide independent judgment, experience and objectivity without being subordinated to operational considerations. They help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

6.5 **Appointment, Re-appointment or Re-election of Directors**

6.5.1 To promote the exercise of objective and independent judgment in line with global best practices, no person shall be appointed, re-appointed, elected or re-elected as a Director of the Board or continue to serve as a Director if the person is or becomes an active politician. A person is considered an "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.

6.5.2 In line with the recommendation of the Malaysian Code on Corporate Governance, the tenure of an independent director should not exceed a

term limit of 9 years. Upon completion of the 9 years, an independent director may continue to serve on the Board as a non-independent director.

6.5.3 **Fit and Proper Policy**

(1) Members of the Board must have the necessary qualities, competencies and experience that allows them to perform the duties and carry out the responsibilities required of the position in the most effective manner.

(2) Any person to be appointed as Director or to continue to hold office as Director of CEPCO and/or its subsidiaries must not be disqualified or deemed to be disqualified or vacated his/her office under the relevant laws, rules and regulations governing the respective corporations, and have been assessed to have met the fit and proper criteria based on, at minimum, the factors set out in 6.5.2(4) below relating to-

- character and integrity
- experience and competence
- time and commitment

(3) The fit and proper assessment shall be conducted-
- before the initial appointment, or
- prior to the proposed re-election/re-appointment as Director,

and
- may also be conducted when the Company/subsidiary becomes aware of information that may materially compromise a Director's fitness and propriety.

(4) The considerations underpinning the fit and proper criteria include but are not limited to the following:

(a) Character and integrity

(i)	Probity	• is compliant with legal obligations, regulatory requirements and professional standards, where applicable; • has been constructive and not misleading or untruthful in dealings with regulatory bodies or a court of law;
(ii)	Personal integrity	• has not perpetrated or participated in any business practices which are deceitful, oppressive, improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct; • service contract (i.e. in the capacity of management or Director) had not been terminated in the past due to concerns on personal integrity;

		• has not abused other positions (that he/she has held) in a manner that contravenes the principles of good governance;
(iii)	Financial integrity	• manages personal debts or financial affairs satisfactorily; • demonstrates ability to fulfil personal financial obligations as and when they fall due;
(iv)	Reputation	• is of good repute in the financial and business community; • has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years; • has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management;

(b) Experience and competence

(i)	Qualifications, training and skills	• possesses educational or other qualification or training that is relevant to the skill set that such Director is earmarked to bring to the Boardroom; • has a considerable understanding on the workings of a corporation; • possesses general management skills as well as understanding of corporate governance and sustainability issues; • keeps knowledge current based on continuous professional development; • possesses leadership capabilities and a high level of emotional intelligence;
(ii)	Relevant experience and expertise	• possesses relevant experience and expertise with due consideration given to past length of service, nature and size of business, responsibilities held and delegated authorities;

(iii)	Relevant past performance or track record	• had a career of occupying a high-level position in a relevant/comparable organisation, and was accountable for driving or leading the organisation's governance, business performance or operations; • possesses commendable past performance record as gathered from the results of the Board effectiveness evaluation;

(c) Time and commitment

(i)	Ability to discharge role having regard to other commitments	• able to devote time as a Board member, having factored other outside obligations including concurrent board positions held by the Director across listed issuers and non-listed entities (including not-for-profit organisations);
(ii)	Participation and contribution in the Board or track record	• demonstrates willingness to participate actively in Board activities; • demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the Boardroom; • manifests passion in the vocation of a director; • exhibits ability to articulate views independently, objectively and constructively; • exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

The factors described above are to be assessed individually as well as collectively, taking into account their relative importance.

(5) Failure to meet one factor on its own does not necessarily mean failure to meet the fit and proper criteria. The specific circumstances surrounding a person's failure to meet specific factors, including the lapse of time since the occurrence of events, other contributing factors, and the significance of the event from the perspective of potential risks posed to the Company/subsidiary should also be considered.

(6) The fitness and propriety assessment of Directors is undertaken through due diligence verification procedures and/or declarations.

(7) All documentation on fit and proper assessments and supporting information shall be kept confidential, solely for the use of the Company/subsidiary.

7. CHAIRMAN AND MANAGING DIRECTOR ("MD")

7.1 There is a balance of power and authority between the Executive Chairman and MD with a clear division of responsibility between the running of the Board and the Company's business respectively. The positions of Executive Chairman and MD are separated and clearly defined and are held by separate members of the Board.

7.2 Role of the Chairman

The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role. The Chairman is primarily responsible for:

(a) leading the Board in setting the values and standards of the Company, including good corporate governance practices;

(b) the orderly and effective conduct of the meetings of the Board and shareholders;

(c) leading discussions, encouraging active and open participation;

(d) managing the interface and encouraging constructive relations between Board and management;

(e) ensuring the provision of accurate, timely and clear information to Directors and effective communication with stakeholders;

(f) facilitating the effective contribution of Non-Executive Directors.

7.3 Role of the MD

All Board authorities conferred on the management are delegated through the MD and this is considered as the MD's authority and accountability as far as the Board is concerned. The MD is responsible for, amongst others:-

(a) Overseeing the day-to-day running of the business, developing and implementing Board policies and strategies, and making operational decisions;

(b) Serving as the conduit between the Board and the management in ensuring the success of the Company's governance and management functions;

(c) Ensuring effective communication with shareholders and relevant stakeholders;

(d) Providing strong leadership i.e. effectively communicating a vision, management philosophy and business strategy to employees;

(e) Keeping the Board informed of salient aspects and issues concerning the Group's operations.

8. BOARD COMMITTEES

8.1 The Board may establish committees of the Board as it considers necessary or appropriate. The committees will focus on specific responsibilities in greater detail and make the necessary reports or recommendations to the Board for its consideration and decision.

The Board has the following standing committees with specific Terms of Reference:

- Audit and Risk Management Committee
- Nominating and Remuneration Committee

Independent Non-Executive Directors ("**INED**") play a leading role in these committees. Details of the membership and summary of the Terms of Reference of each committee are available on the Company's website at: https://www.cepco.com.my/corporate-governance.php.

8.2 Each year, the Board, through its Nominating and Remuneration Committee, will review the effectiveness of the Board (as a whole), each Board Committee, the contribution by the Director and Audit and Risk Management Committee on individual basis, and the independence of the INED. The Nominating and Remuneration Committee will also facilitate and determine the board induction and continuing education programmes to be provided for the Board in areas that would best strengthen their contributions to the Board.

9. EXPECTATIONS ON TIME COMMITMENT/OTHER BOARD APPOINTMENTS

Board members are expected to devote sufficient time to fulfil their responsibilities effectively. Any Director is, while holding office, at liberty to accept other board appointments so long as the appointment does not detrimentally affect the Director's performance as a Board member of the Company. Directors must also be mindful of the requirement of the Main LR that they do not sit on the boards of more than 5 listed issuers.

10. INDUCTION, TRAINING AND DEVELOPMENT OF DIRECTORS

Newly appointed Directors will be inducted into the Board through a process that will best fit the Director, allowing him/her to be properly informed, supported and productive in his/her role. An induction pack which contains key documents required by Board members will be given to the Director upon appointment. Visits to the Group's operational sites and meetings with senior management may also be arranged as practicable and appropriate.

In addition to the Mandatory Accreditation Programme required by Bursa Securities for newly appointed Directors, Board members are required to attend such training or professional development programme as the Nominating and Remuneration Committee or the Board members have collectively or individually considered as helpful in enhancing their skills and knowledge and keeping up-to-date with relevant issues.

11. BOARD MEETINGS AND SUPPLY OF INFORMATION

11.1 The Board meets at least once every quarter to facilitate the discharge of their responsibilities.

11.2 To facilitate Directors' time planning, an annual meeting calendar, which provides the scheduled dates for meetings of the Board, Board Committees and annual general meeting, is prepared and circulated to the Directors before the beginning of each year.

11.3 A Director must attend at least 50% of the total Board meetings held during a financial year. A Director may participate in a Board meeting or Committee meeting by way of audio or audio-visual or other instantaneous telecommunication device as provided in the Constitution of the Company.

11.4 Members of management who are not Directors may be invited to attend and speak at the meetings on matters relating to their sphere of responsibility.

11.5 A full agenda and Board papers incorporating such information as may be relevant to the business of the meeting are circulated to all Directors at least one-week prior to each Board meeting.

11.6 In the event matters requiring Board decision arise between Board meetings and if deemed appropriate, such matters shall be resolved by way of circulation of a Board resolution in writing, signed or approved in accordance with the provisions set out in the Constitution of the Company.

12. ACCESS TO MANAGEMENT AND INDEPENDENT PROFESSIONAL ADVICE

Directors have unrestricted access to management and information pertaining to the Group. Whenever necessary and reasonable, Directors may seek independent professional advice with the Chairman's prior consent, which will not be unreasonably withheld, as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgment in decision making, at the expense of the Company.

13. FINANCIAL REPORTING

13.1 Transparency

(a) The Board aims to present a clear and balanced assessment of the financial position and future prospects of the Company and the Group that extends to the interim and price-sensitive information and other relevant reports submitted to regulators.

(b) The Board ensures that the financial statements are prepared so as to give a true and fair view of the financial position of the Company and the Group in accordance with the approved accounting standards. The Board is assisted by the Audit and Risk Management Committee in overseeing the Group's financial reporting processes and quality of its financial reporting.

13.2 External Auditors

(a) The Board has transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the external auditors through its Audit and Risk Management Committee.

(b) The Audit and Risk Management Committee also keeps under review the scope and results of the audit and its cost effectiveness as well as the independence and objectivity of the external auditors.

(c) The external auditors have to retire during the Annual General Meeting of the Company every year and be re-appointed by shareholders for the ensuing year.

13.3 Internal Controls and Risk Management

(a) The Board ensures that the Group has an internal audit function which critically reviews all aspects of the Group's activities and its internal controls. Comprehensive audits of the practices, procedures, expenditure and internal controls of all business units and subsidiaries are undertaken on a regular basis. The Head of Internal Audit has direct access to the Board through the chairman of the Audit and Risk Management Committee.

(b) The Audit and Risk Management Committee receives reports regarding the outcome of such reviews on a regular basis.

14. ANNUAL GENERAL MEETING ("AGM")

14.1 The Board regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.

14.2 The Chairman encourages active participation by the shareholders during the AGM.

14.3 The Chairman and where appropriate, the MD, respond to shareholders' queries during the AGM.

15. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

15.1 The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.

15.2 The Board communicates information to shareholders and the investing community through announcements that are released to Bursa Securities. Such announcements include the quarterly financial results, material transactions and other developments relating to the Group requiring disclosure under the Main LR.

15.3 In addition to the published annual report sent to all shareholders and the quarterly financial results announced to Bursa Securities, shareholders and investors can access information pertaining to the Company and its activities from the Company's website.

15.4 While the Board endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

16. RELATIONSHIP WITH OTHER STAKEHOLDERS

The Board recognizes that no company can exist by maximizing shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.

16.1 Employees

The Board acknowledges that employees are invaluable assets and play a vital role in achieving the vision and mission of the Company and the Group.

16.2 Environment

In acknowledging the need to safeguard and minimise the impact to the environment, the Group adopts policies that help protect the environment and contribute towards sustainable development as well as supports initiatives on environmental issues.

16.3 Corporate and Social Responsibility

(a) The Board acknowledges that the Group should play a vital role in contributing towards the welfare of the community in which it operates.

(b) The Board ensures that the Group adopts policies and procedures that contribute towards responsible marketing and advertising of its products and services.

(c) The Group supports charitable causes and initiatives on community development projects.

17. COMPANY SECRETARY

17.1 The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfills the functions for which he/she has been appointed.

17.2 The Company Secretary is accountable to the Board through the Chairman of the Board and Committees on all governance matters.

17.3 The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.

17.4 The Company Secretary should advise Directors of their obligations to adhere to matters relating to:-

(a) disclosure of interests in securities.

(b) disclosure of any conflict of interest in a transaction involving the Company.

(c) prohibition of dealing in securities.

(d) restrictions on disclosure of price-sensitive information.

17.5 The Company Secretary must keep abreast of, and inform the Board of current governance practices.

17.6 The Board members have unlimited access to the professional advice and services of the Company Secretary.

18. REVIEW OF THE BOARD CHARTER

The Board Charter will be reviewed as and when changes arise and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

This Charter was updated and adopted by the Board on 22nd day of July, 2026