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BOARD CHARTER

1. Purpose of the Board Charter

This Board Charter sets out the principles for the operation of the Board of Directors (“**Board**”) of MY E.G. Services Berhad (“**MYEG**” or “**the Company**”) and its subsidiaries (“**the Group**”) and describes the functions of the Board and those functions delegated to management of the Company.

The Board has primary responsibility to shareholders for the welfare of the Company. The Board is responsible for guiding and monitoring the business and the affairs of the Company. The Company recognises the important of the Board in providing a sound base for good corporate governance in the operations of the Company.

This Board Charter is established to promote high standards of corporate governance and is designed to provide guidance and clarity for Directors and management with regard to the role of the Board and its Committees. This Board Charter does not overrule or pre-empt the statutory requirements and other relevant statutes. This Board Charter shall form an integral part of each Director’s duties and responsibilities.

2. Composition of the Board

- 2.1. The Board shall be of a size and composition with the benefit of diversity in perspectives and skills to understand properly and deal with the current and emerging issues of the business of the Company.
- 2.2. The Board shall comprise at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, who are Independent Directors. If the Chairman is not an Independent Director, the Board shall comprise a majority (more than half) of Independent Directors.
- 2.3. The appointment of a new member to the Board is only made after consultation with the Nomination Committee.
- 2.4. The Board recognises the importance of having a clearly accepted division of power and responsibilities at the head of the Company to ensure a balance of power and authority. It is the policy of the Board to keep the roles of the Chairman and the Managing Director (“**MD**”) separate.
- 2.5. A Director shall inform the Board’s Chairman before he/she accepts any new directorships in other Public Listed Companies.
- 2.6. The Board shall obtain time commitment from newly appointed Directors at the time of appointment.



- 2.7. The Board shall appoint a Senior Independent Director who serves as the point of contact between the Independent Directors and the Chairman on sensitive issues, ensure all Independent Directors have an opportunity to provide input on the agenda and ensure the Independent Directors can discharge their duties responsibly and with sufficient time for discussion of all agenda items.
- 2.8. The tenure of an Independent Director shall not exceed a cumulative term of nine years. The Board may, in exceptional cases and subject to the assessment of the Nomination Committee on an annual basis, recommend for an Independent Director who has served a consecutive or cumulative term of nine years to remain as an Independent Director subject to Shareholders' approval.

3. Role of the Board

- 3.1. The principal responsibilities of the Board including those adopted from the Malaysian Code of Corporate Governance (“**the Code**”) are:
 - Together with senior management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
 - Review, challenge and decide on management’s proposals for the Group, and monitor its implementation by management;
 - Supervise and assess management performance to determine whether the business is being properly managed;
 - Reviewing and adopting a strategic plan for the Group;
 - Ensure that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
 - Overseeing the conduct of the Group’s businesses to evaluate whether the businesses are being properly managed;
 - Identifying principal risks and ensuring the implementation of appropriate systems to manage these 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 there is a sound framework for internal controls and risk management;



- Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
 - Ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and senior management;
 - Succession planning, including appointing, training, fixing the compensation of, and where appropriate, replacing key management;
 - Ensure that the Company has in place procedures to enable effective communication with stakeholders;
 - Developing and implementing a Corporate Disclosure Policy (including an investor relations programme or shareholder communications policy) for the Group;
 - Monitoring and reviewing management processes aimed at ensuring the integrity and transparency of financial and other reporting;
 - Ensuring that the Group's financial statements are true and fair and conform with the accounting standards; and
 - Ensuring that the Group adheres to high standards of ethics and corporate behaviour.
- 3.2. In overseeing the conduct of the Group's Business, the Board shall ensure that an appropriate financial planning, operating and reporting framework as well as an embedded risk management framework is established.

4. Formal Matters Reserved for the Board's Decision

- 4.1 The Board reserves full decision-making powers on the following matters:
- Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
 - Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
 - Strategic investments, mergers and acquisitions and corporate exercises;
 - Limits of authority;
 - Treasury policies;



- Risk management policies;
- Key human resource issues; and
- Business plans

5. Role of the Chairman

5.1 The Chairman is primarily responsible for:

- Leading the Board in the oversight of management;
- Setting the Board agenda and ensuring that the Board receives complete and accurate information in a timely manner;
- Leading Board meetings and discussions;
- Encouraging active participation and allowing dissenting views to be freely expressed and discussed;
- Managing the interface between Board and management;
- Representing the Board to shareholders and chairing general meeting of shareholders;
- Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;
- Ensuring the integrity of the governance process and issues;
- Maintaining regular dialogue with the MD over all operational matters and consulting with the remainder of the Board promptly over any matters that gives him/her cause for major concern;
- Functioning as a facilitator at meetings of the Board to ensure that no member dominates discussion, that appropriate discussions take place and that relevant opinions among members is forthcoming;
- Ensuring that all Directors are enabled and encouraged to participate in its activities;
- Ensuring that Executive Directors look beyond their executive function and accept their share of responsibilities in governance;
- Guiding and mediating Board actions with respect to organisational priorities and governance concerns;



- Undertaking the primary responsibility for organising information necessary for the Board to deal with items on the agenda and for providing this information to Directors on a timely basis; and
- Performing other responsibilities assigned by the Board from time to time.

6. Role of the MD

- 6.1. The position of the MD in essence is to ensure the effective implementation of the Group's Business Plans and policies established by the Board as well as to manage the daily conduct of the business and affairs to ensure its smooth operation.
- 6.2. The MD is responsible to the Board for the following:
 - Executive management of the Group's Business covering, inter alia, the development of a strategic plan; an annual operating plan and budget; performance benchmarks to gauge management performance and the analysis of management reports;
 - Developing long-term strategic and short-term profit plans;
 - Set, review and ensure compliance with the Company's value;
 - Directing and controlling all aspects of the business operations;
 - Effectively oversee the human resources of the Group with respect to key positions in the Group's hierarchy;
 - Ensures that the Group's Financial Reports present a true and fair view of the Group's financial condition and operational results and are in accordance with the relevant accounting standards;
 - Assures the Group's corporate identity, products and services are of high standards and are reflective of the market environment;
 - Be the official spokesperson for the Company and responsible for regulatory, governmental and business relationships;
 - Ensures compliance with governmental procedures and regulations;
 - Coordinates business plans with the businesses heads, coordinates management issues through the Board, and oversees divisional function groups and cost containment process in consultation with the Financial Controller;



- Maintains and facilitates a positive working environment and good employee relations; and
- Assists the Chairman in organising information necessary for the Board to deal with the agenda and for providing this information to Directors on a timely basis.

In discharging the above responsibilities, the MD can delegate appropriate functions to the senior management, who shall report to the MD.

7. Role of Independent Directors

7.1 Independent Directors are those who have no direct or indirect pecuniary interest in the Company other than the remuneration for their services as members of the Board and Board Committees of the Company and the Group which as defined under Rule 1.01 of the Main Market Listing Requirements.

7.2 The role of Independent Directors is to constructively challenge and help develop proposals on strategy include, inter alia:

- To make independent assessment of the information, reports or statements, having regard to the Directors' knowledge, experience and competence, to provide independent view and demonstrate objectivity in reviewing and challenging the management's proposals at meetings;
- To devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to keep abreast of industry issues, market development and trend, and enable them to sustain their active participation in Board deliberations; and
- To act as a channel of communication between management, shareholders and other stakeholders, and provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.

8. Role of Senior Independent Director

8.1 The role of Senior Independent Director includes, amongst others:

- Act as a sound Board for the Chairman;
- Ensure all Independent Directors have the opportunity to give input on the agenda, and advise the Chairman on the quality, quantity and timeliness of the information submitted by management that is necessary or appropriate for the Independent Directors to perform their duties effectively;



- Consult the Chairman regarding Board meeting schedules to ensure the Independent Directors can discharge their duties responsibly and with sufficient time for discussion of all agenda items;
- Serve as the principal conduit between the Independent Directors and the Chairman on sensitive issues; and
- Serve as a designated contact for consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact with the Chairman or MD.

9. Board Processes

Board Meetings shall be conducted in a business-like manner where all Directors are encouraged to share their views and partake in discussions.

9.1. Frequency

- The Board shall meet regularly, at least on a quarterly basis. In addition to the quarterly meetings, Special Board meetings shall be convened as and when required to consider urgent matters that require the Board's expeditious review and consideration. Prior notice of meetings will be given to all who are required to attend the meetings.
- The Board is required to attend the Board meetings and attendance of each individual Director in the meetings held in a financial year is required to be disclosed in the Annual Report.
- Other senior officers may be invited to attend for particular items within their responsibility. The Board may also invite external parties such as the auditors, solicitors and consultants as and when the need arises.

9.2. Agenda

- The notice of a Directors' meeting shall be given in writing at least seven (7) days prior to the meeting.
- The agenda shall include, amongst others, matters specifically reserved for the Board's decision. The Board shall record its deliberation, in terms of the issues discussed, and the conclusions thereof in discharging its duties and responsibilities

9.3. Meeting Papers

- Board papers and agenda items are to be circulated at least five (5) days prior to the meeting.



- The minutes of the Board meetings shall be prepared within fourteen (14) days following a Board meeting. The draft minutes shall be circulated together with the Board papers at the following Board meeting. If one or more Directors request their opinion to be noted, the Company Secretary shall comply with the request.

9.4. Access to Information and Independent Professional Advice

- All Directors (Executive and Non-Executive) have the same right of access to all information within the Group whether as a full Board or in their individual capacity, in furtherance of their duties and responsibilities as Directors of the Company, subject to a formal written request to the Chairman furnishing satisfactory and explicit justification for such request.
- All Directors shall have access to the advice and services of the Company Secretary. The Board shall recognise that the Chairman is entitled to the strong and positive support of the Company Secretary in ensuring the effective functioning of the Board.
- The full Board or in their individual capacity, in furtherance of their duties, shall be able to obtain an independent professional advice at the Company's expenses.

10. Company Secretary

10.1. The Company Secretary shall be suitably qualified, competent and capable of carrying out the duties required of the post.

10.2. The key role of the Company Secretary shall include:

- Provide unhindered advice and services for the Directors, as and when the need arises;
- Enhance the effective functioning of the Board;
- Ensure regulatory compliance;
- Preparing agendas and coordinating the preparation of the Board papers in a timely and effective manner;
- Ensure that the Board procedures and applicable rules are observed;
- Maintaining records of the Board and ensure effective management of organisation's records;



- Preparing comprehensive minutes to document Board proceedings and ensure conclusions are accurately recorded;
- Assisting the communications between the Board and management; and
- Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.

11. Board Committees

11.1. The Board reserves the right to establish Board Committees from time to time in the discharge of its duties and responsibilities and to support the Board in carrying out its functions.

11.2. Where a Board Committee is formed, specific terms of reference of the Board Committee would be established to serve as a guidance note which covers matters such as the purpose, composition and functions of the Committee.

11.3. A number of standing Board Committees with written terms of reference has been established namely the following:

a) Audit Committee

Audit Committee assists in providing oversight on the Group's financial reporting, disclosure, regulatory compliance and monitoring of internal control processes within the Group. The Audit Committee reviews the quarterly financial results, unaudited and audited financial statements, internal and external audit reports as well as related party transactions.

b) Risk Management Committee

Risk Management Committee assists in evaluating the Group's level of risk tolerance, assess and monitor risks, review the Group's internal controls system and engage with management to periodically test the adequacy and effectiveness of the risk management and internal control system.

c) Nomination Committee

The Nomination Committee oversees matters relating to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director as well as identify candidates to fill Board vacancies, and nominating them for approval by the Board.



d) Remuneration Committee

The Remuneration Committee is primarily responsible for recommending to the Board the remuneration of Executive Directors, Non-Executive Directors and senior management in all its forms, drawing from outside advice if necessary.

12. The Board's Relationship with Shareholders and Stakeholders

- 12.1. The Board shall maintain an effective communications policy that enables both the Board and management to communicate effectively with its shareholders, stakeholders and the general public.
- 12.2. It is the role of the Board to ensure that the Annual General Meeting (“AGM”) and Extraordinary General Meeting (“EGM”) of the Company are conducted in an efficient manner and serves as a crucial mechanism in shareholder communications. Key ingredients behind this include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the AGM.
- 12.3. The Board will focus its efforts on the following best practices to enhance the effectiveness of the General Meeting:
 - Ensure that each item of special business included in the notice to be accompanied by a full explanation of the effects of the proposed resolution;
 - Encourage poll voting on substantive resolution and make an announcement of the detailed results showing the number of votes cast for and against each resolution;
 - Ensure that the Chairman provides reasonable time for discussion at the meeting. Where appropriate and if required, the Chairman will also undertake to provide written answer to any significant question which cannot be answered immediately; and
 - Conduct a business presentation with a question and answer session, where appropriate and if required.
- 12.4. The MD shall take responsibility for addressing queries from shareholders, stakeholders and analysts.



13. Induction Process

13.1. Induction of newly appointed Directors may include, but not limited to, the following:

- Furnishing of a copy of the previous Board minutes for at least the past six (6) months; the Business/strategic plan, pertinent management reports; profile of key competitors and significant reports by management consultants on areas of Board responsibilities;
- Visits to key sites; and
- A formal one (1) to two (2) days' induction programme, including the elements above, and also presentations from various divisions on their strengths, weaknesses and ambitions.

14. Directors' External Commitments and Conflict of Interest

14.1. The Company's Constitution stipulate that a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare his interest in accordance with the provisions of the Companies Act 2016. The Director concerned shall not participate in deliberations and shall abstain himself from casting his votes in any matter arising thereof.

14.2. Should there be an actual, potential or perceived conflict of interest between the Company or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, or a related company, the Director involved shall make full disclosure and act honestly in the best interest of the Company.

14.3. An actual, potential or perceived conflict of interest shall not necessarily disqualify an individual Director from the Board provided that full disclosure of the interest has been made in good faith and with due honesty.

15. Representation of the Company

The Board appoints the MD to speak on behalf of the Group and to manage the communication of information to investors, other stakeholders and the public in an orderly and effective manner while adhering, at all times, to relevant laws and regulatory requirements.

16. Periodic Review

This Board Charter and all Board Committees' Terms of Reference and Policies shall be reviewed annually by the Board.

This Board Charter is dated 27 February 2020