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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, competencies, extensive experience, knowledge and skills to understand properly and deal with the current and emerging issues of the business of the Company and the Group. Thus, the Board acknowledges the importance to promote gender diversity.
- 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.

The criteria for the recruitment or appointment (including re-election/ re-appointment) of Director is guided by fit and proper assessment by the Nomination Committee based on the Terms of Reference of the Nomination Committee and Directors’ Fit and Proper Policy of the Company.

- 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. Each Board member must not hold directorships at more than five (5) listed issuers.
- 2.6. The Board shall obtain time commitment from newly appointed Directors at the time of appointment.
- 2.7. Each appointed Board member shall hold office until the earlier of:
  - a. such time as the Board determines to terminate his / her appointment;  
or
  - b. the Board member ceases to be a member of the Board.
- 2.8. 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.
- 2.9. 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.
- 2.10. A Director shall at all times exercise his powers for a proper purpose and in good faith in the best interest of the Company and shall act honestly and use reasonable care, skill and diligence in discharge of the duties of his office and shall not make use of any information acquired by virtue of his position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company.
- 2.11. No active politician shall be appointed, re-appointed, elected or re-elected as a Director on the Board or continue to serve as a Director. A person is considered an "active politician" if he is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.

### **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:

- (i) Strategic planning - to review and approve strategies, business plans and key policies for the Group and monitor Management's performance in implementing them to determine whether the business is being properly managed;
- (ii) Corporate goal - to set corporate values and clear lines of responsibility and accountability, including governance systems and processes that are communicated throughout the Group;
- (iii) Compliance to regulation - to ensure full compliance and to carry out the duties of the Board in accordance with the relevant provisions of the Main Market Listing Requirements, the Capital Markets and Services Act 2007, the Act, the Code and all applicable laws, regulations and guidelines;
- (iv) Independent and transparent - to ensure that there shall be unrestricted access to independent advice or expert advice at the Company's expense in furtherance of the Board's duties;
- (v) Code of conduct - to formalise the ethical standards through a code of conduct which will be applicable throughout the Group and ensure compliance to this code of conduct;
- (vi) Succession planning - to ensure that Management has the necessary skills and experience, has and there is a proper and robust succession plan for its Management and Executive Directors ("ED(s)") in place. Succession planning refers to the process of selecting, training, appointing, monitoring, evaluating and if warranted, replacing any management to ensure succession;
- (vii) Management proposals - to review, challenge and decide on Management's proposals for the Group, and monitor its implementation by Management;
- (viii) Judgmental timing - to ensure that the Board has adequate procedures in place to receive reports from Management periodically and / or on a timely manner, so that the Board has reasonable grounds to make proper judgement on financial matters and business prospects of the Group on an ongoing basis;
- (ix) Financial and non-financial reporting - to ensure all its directors are able to understand financial statements and form a view of the information presented, and to ensure the integrity of the Group's financial and non-financial reporting. Each director shall read the financial statement of the Group and carefully consider whether what they disclose is consistent with the director's own knowledge of the Group's affairs;

- (x) Related party and conflict of interest management - to establish procedures to assess any related party transactions or conflict of interest situations that may arise within the Company or Group, including any transaction, procedure or course of conduct that raises questions of management integrity;
- (xi) Board committee – to establish and ensure the effective functioning and monitoring of the Board Committees then to delegate appropriate authority and TOR to such committees established by the Board;
- (xii) Board balance – to strive to achieve an optimum balance and dynamic mix of competent and diverse skillsets amongst the members of the Board;
- (xiii) Governance culture – together with Management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour; and
- (xiv) Governance of sustainability – together with Management, takes responsibility for the governance of sustainability in the Group including setting the Group’s sustainability strategies, priorities and targets; and
- (xv) Stakeholder communication – to ensure that the Group has in place procedures to enable effective communication with stakeholders.

**3.2 The Board will direct and supervise the Management, the business and affairs of the Group including, in particular:**

- (i) Sustainability management – to review and adopt a strategic plan for the long-term value creation and includes strategies on economic, environment and social considerations;
- (ii) Performance management – to establish policies for strengthening the performance of the Group including ensuring that the Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;
- (iii) Risk management – to identify principal risks, set the risk appetite within which the Board expects the Management to operate and ensure the implementation of appropriate systems to manage the significant financial and non-financial risks and to ensure there is a sound framework for internal controls and risk management;
- (iv) Internal audit – to establish an internal audit function to obtain assurance of regular review and / or appraisal of the effectiveness of the system of internal controls within the Company and Group. The Board should explain in summary the means that exist for obtaining such assurance of regular review and / or appraisal;

- (v) Internal control to review the adequacy and integrity of the Group's internal control system and management information systems, including systems for complying with applicable laws, regulations, rules, directives and guidelines;
- (vi) Debt repayment capacity to decide on whatever steps necessary to protect the Company's and Group's financial position and the ability generate cash flow to meet its debts and other obligations when they fall due, and ensuring that such steps are taken; and
- (vii) Law and regulations to ensure that the operations of the Company are conducted prudently and within the framework of relevant laws and regulations.

#### **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;
- Performing other responsibilities assigned by the Board from time to time; and
- Becoming a stakeholder management of the Company in interactions with stakeholders on where the interests of the Company.

5.2 The Chairman of the Board shall not be a member of the Audit Committee, Nomination Committee and Remuneration Committee.

5.3 The Chairman ensures that every Board resolution is put to vote to ensure the will of the majority prevails and any concern or dissenting views expressed by any Director on any matter deliberated at meetings of the Board are adequately addressed and duly recorded in the relevant minutes of meetings..

## **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 Chief Financial Officer;
- 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;
  - 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;
  - Where executive directors form part of the Board, the non-executive directors are encouraged to meet among themselves at least annually to discuss among others strategic, governance and operational issues, if necessary;
  - The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, an

Independent Director may continue to serve on the Board as non-independent director;

- In the event the Board intends to retain an Independent Director beyond nine (9) years, the Board shall provide justification and seek annual shareholders' approval through a two-tier voting process as guided by the Code as follows:

*Tier 1: Only the large shareholder(s) of the Company votes; and*

*Tier 2: Shareholders other than large shareholder(s) votes.*

Large shareholder(s) means a person who –

- a. is entitled to exercise, or control the exercise of, not less than 33% of the voting shares in the Company;
- b. is the largest shareholder of voting shares in the Company;
- c. has the power to appoint or cause to be appointed a majority of directors of the Company; or
- d. has the power to make or cause to be made, decisions in respect of the business or administration of the Company, and to give such effect to such decisions or cause them to be given effect to.

The decision for the resolution is determined based on the simple majority of votes of Tier 1 and a simple majority of votes of Tier 2. The resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution. The resolution is deemed defeated where the vote between the two tiers differs or where Tier 1 voter(s) abstained from voting.

The Board will undertake a rigorous review to determine whether the “independence” of the director has been impaired to justify retaining an Independent Director beyond the cumulative term limit of nine (9) years. Findings from the review shall be disclosed to the shareholders for them to make an informed decision.

Notwithstanding the above, the tenure of Independent Directors should not exceed a cumulative term of twelve (12) years.

- The Group is governed by and operates in accordance with the provisions of the Main Market Listing Requirements and the Code. Accordingly, the Board and the NC takes into consideration the provisions set out therein in assessing independence of the Independent Director.
- The Independent Director must be independent of management and free from any business or other relationship which could interfere with the exercise of business judgment or the ability to act in the best interests of the Group.

## **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;
- 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;
- Lead the succession planning and appointment of directors, and oversee the development of a diverse pipeline for board and management succession, including the future Chairman, Executive Directors and MD; and
- Lead the annual review of board effectiveness, ensuring that the performance of each individual director and Chairman of the Board are independently assessed.

## **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.

Audit Committee shall review related party transactions and conflict of interest situation that arose, persist or may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity and the measures taken to resolve, eliminate or mitigate such conflicts.

### 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. The Risk Management Committee also sets the risk appetite of

the Group as well as ensures that appropriate risk management processes are in place and applied.

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.

14.4. A Director shall at all times avoid conflict of interest, and shall as soon as practicable after the relevant facts have come to his knowledge, declare the nature of his interest in accordance with the Company's Conflict of Interest Policy.

**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. Other Matters**

The Board Charter serves to delineate the mission, structure, scope and functions of the Board and duties of the directors. The Board Charter complements the Company's Constitution and the duties required by legislation and regulatory bodies, and do not replace the said requirements. Where ambiguity and/or contradiction arises, the Company's Constitution, legislation and the regulations shall prevail over the contents of the Board Charter. The provisions of this charter are subject to such revisions by way of modification, addition or otherwise as the Company may from time to time consider fit.

**17. Periodic Review**

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

This Board Charter was reviewed and approved by the Board of Directors on 28 February 2024.