



Eurospan Holdings Berhad
199501022724 (351927-M)

Board Charter

1. Scope

The Board has approved this Charter to set out its role, responsibilities and powers, taking into account corporate governance obligations, best practices, and relevant regulations. The Board shall review the Charter from time to time and as when necessary to ensure compliance with regulatory and legal requirements, which will take precedence over any stipulation of this charter. The Charter will be displayed on the Company's website.

2. Board Composition and Size

The Board shall be composed of a combination of Directors with a mix of skills appropriate to providing the necessary breadth and depth of knowledge and experience to serve the Company's best interests.

The Board determines the Board composition and size taking into consideration the needs of the Company and subject to the limits set out in the Constitution of the Company. The Constitution provides that the number of Directors (disregarding alternate Directors but including Executive Directors) shall be at least two and (unless otherwise determined by ordinary resolution) not more than fifteen.

The Board shall consist of qualified individuals with diverse experience, background and perspective. Appointments to the Board are based on objective criteria, merit and skills and experience that the individual can contribute with due regard to cultural background and gender and the overall composition of the Board.

For the selection of Directors, the Board shall take steps to ensure that women candidates are sought in the recruitment exercise so that the Board comprise at least one woman director.

The number of Independent Directors shall be in compliance with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") which requires that at least one third of the Board must be independent Directors. If the number is not three or a multiple of three, then the number nearest one third shall be used.

The Board shall establish and maintain a Nominating Committee to regularly review the number, mix and effectiveness of Directors on the Board so as to determine whether the Board remains appropriate and effective, subject to any applicable regulatory constraints.

3. Role and responsibilities of the Board

The Board has overall responsibility for corporate governance, strategic direction, formulation of policies and overseeing the conduct of investments and businesses of the Group, which include, inter-alia, the following:

- Providing leadership, reviewing and adopting strategic plans and directions for the Group;
- Overseeing the conduct of the Group's business;
- Ensuring prudent and effective controls and risk management systems;
- 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;
- Reviewing the performance of management; and
- Overseeing the overall sustainability strategies and performance of the Group.

The Executive Directors have overall responsibilities over the development of operational and organisational structure including business units. The Executive Directors are tasked to implement the Board's decisions and policies whilst overseeing operations and coordinating business decisions.

The role of the Independent Non-Executive Directors is to bring independent and objective judgement to the Board which mitigates risks arising from conflict of interest or undue influence from interested parties and protects the interest of minority shareholders.

The role of Management is to support the Executive Directors and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Chairman

The Board shall appoint a Chairman from among the Directors.

The position of Chairman and Managing Director should be held by different individuals. The Chairman of the Board shall not be the chairman of Board Committees.

The Chairman is responsible for the leadership of the Board and controls the orderly and effective functioning of the Board. He ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board discussions. His role includes :-

- providing strategic direction and leadership to executive management;
- leading the Board effectively on all aspects of its role;
- ensuring that appropriate procedures are in place to govern the Board's operations;

3. **Role and responsibilities of the Board (continued...)**

Chairman (continued...)

- setting the agenda, style and tone of Board deliberations, facilitating effective review, analysis, discussions and contributions by each director with sufficient time allocated for discussion of complex and contentious issues, encouraging constructive debate so as to enable a sound decision making process;
- ensuring accurate and timely information, in particular about the performance of the Company, is furnished to Board members;
- promoting good corporate governance standards within the Group;
- leading efforts to address the Board's developmental needs; and
- chairing of board meetings and general meetings, and ensuring a smooth, open and constructive dialogue between the Board and the shareholders.

Managing Director

The Managing Director holds the primary executive responsibility for the Group's business performance and manages the daily conduct of the business to ensure its smooth operations in accordance with the strategies and policies approved by the Board. His role includes :

- making and implementing day-to-day operational business decisions;
- managing resources and risks in pursuing the corporate objectives of the Group;
- brings material and other relevant matters to the Board;
- motivates employees, and drives change/innovation and growth; overseeing the day-to-day operations within his specific area of expertise or assigned responsibility. He represents the Company at the management level and is a decision maker on matters within his scope of works.
- liaises frequently with the Chairman on strategic and top management decision making.
- drives the management to achieve goals set by the Board.

Deputy Managing Director

The Board may appoint a Deputy Managing Director to assist the Managing Director in all his roles and responsibilities and to assume all the authority of the Managing Director during his absence. The Deputy Managing Director may be delegated any responsibility and authority by the Managing Director in the performance of his duties.

Independent Non-Executive Director

Independent Non-executive Directors are not involved in the day-to-day running of the Group, but contribute their particular expertise and wealth of experience to developing the business strategy. They have various roles in the Board Committees and contribute significantly, especially in the enhancement of the corporate governance and controls of the Group. They must be individuals of high caliber, sound reputation and standing and bring independent judgment to the Board's decision making. His/Her role includes :

3. Role and responsibilities of the Board (continued...)

Independent Non-Executive Director (continued...)

- to act in good faith and in the best interests of the Company and avoid any conflict of interest at all times;
- to regularly update and refresh skills, knowledge and familiarity with the Company;
- to advise, support and to bring independent perspective to Management;
- to ensure necessary activities are undertaken to review the effectiveness of the risk management and internal control systems;
- to determine the appropriate levels of remuneration of executive directors; and
- to appoint executive directors and to participate in succession planning.

The tenure of Independent Directors is as follows:-

- the tenure for an independent director should generally not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director.
- If the Board intends to retain an Independent Director beyond nine (9) years, the Board shall justify and seek annual shareholders' approval through a two-tier voting process as guided by the Practice 5.3 of Malaysian Code on Corporate Governance.

4. Board Authority and Power

The Board shall have authority on the corporate decisions stated in the Companies Act 2016 (the "Act"), Main Market Listing Requirements of Bursa Securities and the Constitution of the Company that require the passing of ordinary or special resolutions by the Board. The Board shall also have the power to delegate specific functions and authority to its Board Committees to assist in the discharge of its responsibilities. However, certain functions are specifically reserved for the Board which include the following:

- In conjunction with management, establishing a vision and strategies for the Group;
- Approving the Group's annual business plan and budget;
- Approving specific items of material capital expenditure and investments and disinvestments;
- Appointing Directors to the Board;
- Appointing and approving the terms and conditions of appointment of the Managing Director;
- Approving any significant changes to accounting policies;
- Approving the quarterly financial statements;
- Approving the annual financial statements;
- Approving any interim dividends and recommending any final dividends to shareholders;

4. Board Authority and Power (continued...)

- Approving all circulars, statements and corresponding documents sent to shareholders;
- Approving the terms of reference and membership of Board Committees;
- Approving Company policies which may be developed from time to time; and
- Approving major acquisition and disposal of investments, businesses, mergers and acquisitions.

The Board shall all times act in good faith and in the best interest of the Company and exercise due care and diligence in discharging its duties. Decisions by the Board are to be made collectively without undue influence or dominance by any individual Director or group of Directors, whether Executive or Non-Executive.

The Independent Non-Executive Directors are independent of executive management. They provide balanced, effective and independent views, unbiased judgements, informed opinions to the deliberations and decision making of the Board thus fulfilling an essential and pivotal role in corporate accountability.

The Board and / or through its Nominating Committee would also undertake annual assessment of its Independent Non-Executive Directors.

5. Board Committees

The Board shall establish Board committees as appropriate and necessary to assist in matters that require particular review. The following are Board committees:

- Audit Committee
- Nominating Committee
- Remuneration Committee

The duties of these committees are specified in their own Terms of Reference which are reviewed from time. The Board may also delegate specific function to ad hoc committees as and when needed.

6. Board Meetings and Procedures

The Board shall meet quarterly and at any such times as it deems necessary to fulfill its responsibilities. The Board meets within two months from the end of every quarter of the financial period, where the Group's financial results are deliberated and considered prior to releasing them to Bursa Securities.

A quorum for a meeting shall be at least two (2) members. The Chairman shall preside at Board meetings. If at any meeting the Chairman is not present within fifteen minutes after the time appointed for the meeting, the Directors present may choose one of their number to be Chairman of the meeting.

6. Board Meetings and Procedures (continued...)

Directors or members of a committee of Directors (as the case may be) may participate in a meeting of Directors or a committee of Directors (as the case may be) by means of telephone conference, video conference or any other methods by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, Board approvals are sought via circular resolutions, which are attached with sufficient and relevant information required for an informed decision to be made.

In accordance with Clause 166 of the Company's Constitution, a resolution in writing signed or approved by letter, telex, facsimile, e-mail, text messages or other electronic means by a majority of the Directors, shall be as valid and effectual as if it had been passed at a meeting of Directors duly carried and constituted; provided that where a Director is not present but has an alternate who is present, then such resolution shall be signed by such alternate. All such resolutions shall be described as "Directors' Resolutions in Writing" or "Directors' Written Resolutions" and may consist of several documents in the like form each signed by one or more Directors and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's minutes book following the receipt thereof by him.

Where a potential conflict arises in any transaction involving any particular Director's interest, such Director is required to declare his interest and abstain from discussion and the decision-making process.

The Company Secretary records all the deliberations including pertinent issues, the substance of inquiries and responses, Board members' suggestions and the decision made in the Minutes of the Board meetings. The Minutes of every Board meeting are also circulated to the Directors for their perusal prior to confirmation of the Minutes at the following Board meeting.

7. Appointment and Retirement of Directors

The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nominating Committee. New Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board performance of its duties and to give sufficient time and attention to the affairs of the Company. The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed. Upon the appointment of a new Director, the Company Secretary advises the Director of his/her principal duties and responsibilities and explains the restrictions to which he or she is subject to in relation to price-sensitive information and dealings in the Company's securities. The Board should use a variety of approaches and independent sources to ensure that it is able to identify the most suitable candidates. This may include personal recommendation and sources like directors' registry, industry and professional

associations, open advertisements and independent search firms.

7. Appointment and Retirement of Directors (continued...)

Pursuant to Paragraph 15.06 of Main Market Listing Requirements of Bursa Securities, the directorships entitled to be held by each Director at a Board at any one time shall not exceed five (5) in listed Companies as and may be determined by Bursa Securities from time to time.

In accordance with Clause 140 of the Company's Constitution, at the first annual general meeting ("AGM"), all the Directors shall retire from office and an election of Directors shall take place each year. At every subsequent AGM, one-third of the Directors are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office, and if there is only Director who is subject to retirement by rotation, he shall retire provided always that all Directors shall retire from office at least once in every three years but shall be eligible for re-election.

Subject to the Act, the Directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information such as personal profile and attendance of meetings of each Director standing for election are furnished in the Annual Report accompanying the Notice of the AGM.

The Company Secretary ensures that all the necessary information is obtained and that all legal and regulatory obligations are met before the appointments are made.

Any Director (other than an alternate Director) may appoint any person (except another Director) approved by a majority of his co-Directors and willing to act, to be an alternate Director. An alternate Director may not act for more than one Director.

8. Remuneration of Directors

The fees of the Directors shall from time to time be determined by the Company in General Meeting but the remuneration of the Executive Directors shall from time to time be determined by the Board of Directors.

The fees payable to the Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting. The fees payable to Non-Executive Directors shall be a fixed sum and not by a commission on or percentage of profits or turnover and the remuneration payable to Executive Directors may not include a commission on or percentage of turnover. Any fee paid to an alternate Director shall be agreed between him and his appointor and shall be deducted from his appointor's remuneration.

8. Remuneration of Directors (continued...)

The Directors may be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of Directors or general or other meetings of the Company or in connection with the business of the Company.

The Remuneration Committee shall set a policy framework for the remuneration and the benefits of the Executive Directors as well as the fees and benefits of the Non-Executive Directors and thereafter, shall give their recommendations to the Board of Directors for approval.

9. Access to information and advice

The Board has full, unrestricted and timely access to all information pertaining to the Group's business affairs. Prior to each Board meeting, a full set of Board papers together with the agenda would be forwarded to the Board members to allow the Directors to study and evaluate the matters to be discussed and subsequently make effective decisions.

All members of the Board have access to the advice and services of the Company Secretary and senior management staff of the Group. With the approval of the Board, the Directors may obtain professional opinions or advice from external consultants when the need arises at the expense of the Group. The Company Secretary attends all Board meetings and is responsible for ensuring that Board procedures as well as statutory and regulatory requirements relating to the duties and responsibilities of the Directors are complied with. The Directors are also regularly updated by the Company Secretary on new statutory, corporate and regulatory developments relating to Directors' duties and responsibilities in order to assist them in the discharge of their duties as Directors of the Company and ensuring the effective functioning of the Board.

The Directors may seek advice from the Management on issues under their respective purview. The Directors may also interact directly with the Management, or request further explanation, information or updates on any aspect of the Company's operations or business concerns from them.

10. Directors' Training and Education

All newly appointed Directors must complete the Mandatory Accreditation Programme and to undergo suitable orientation training, followed by regular seminars and briefings to continuously upgrade their knowledge and understanding of their role and responsibilities, the economic scenario and the industry climate.

The Directors shall continue to attend training programmes to enhance their skills and knowledge where relevant, as well as to keep abreast with the changing regulatory and corporate governance developments.

11. Role of the Company Secretary

The Company Secretary, who reports to the Board of Directors, shall advise and assist the Board of Directors and Committees in achieving good corporate governance and ensuring that the Company complies with the statutory requirements, rules and regulations including Main Market Listing Requirements, the Act, Malaysian Code on Corporate Governance, Securities Commission Malaysia Guidelines and Board Committee Terms of References. The appointment and removal of Company Secretary should be determined by the Board at all times.

The roles of the Company Secretary includes :-

- to ensure the Company's statutory records, register books and documents are properly maintained;
- to attend and ensure proper conduct and procedures at the annual general meetings, extraordinary general meetings, board meetings, Committees' meetings and other meeting (where necessary); and
- to ensure that Board procedures and applicables rules are observed.

12. Financial Reporting

The Board has established a transparent relationship with the external auditors through the Audit Committee, which has been accorded with the power to communicate directly with the external auditors towards ensuring compliance with accounting standards and other related requirements.

The Audit Committee undertakes an annual assessment of the suitability and independence of the external auditors. The Audit Committee meets with the external auditors at least twice a year to discuss their audit plan, audit findings and the Company's financial statements. At least one of these meetings is held without the presence of the Executive Directors and the Management. The Audit Committee also meets with the external auditors additionally whenever it deems necessary. In addition, the external auditors are invited to attend the AGM of the Company and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and contents of their audit report.

13. Company Auditors

The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company Auditors through its Audit Committee.

The Audit Committee reviews the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company Auditors. The Company ensures that the Company Auditors do not supply a substantial volume of non-audit services to the Company.

13. Company Auditors (continued...)

Appointment of the Company Auditors is subject to approval of shareholders at General Meetings. The Company Auditors retires at the AGM every year and are re-appointed by shareholders for the ensuing year.

14. Relationship with Shareholders and Investors

The Board recognises the importance of effective communication with its shareholders, investors and all other stakeholders. As such, the Board shall maintain a high level of disclosure by providing timely, clear and comprehensive information through readily accessible channels to explain the Group's strategy, performance and major developments. All shareholders have an opportunity to participate in discussion with the Board on matters relating to the Company's operation and performance at the Company's General Meetings.

The Company's announcements may be obtained via the Bursa Securities' website at www.bursamalaysia.com. In addition, the Company has also established a website at www.eurospan.com.my to provide information on the Group's business activities.

15. Review of the Board Charter

The Board of Directors shall review the Board Charter as and when necessary. The Board Charter has been revised by the Board on 26th July 2022.