



BOARD CHARTER

1. Overview

The Board Charter sets out the principal functions, composition, roles, and responsibilities of the Board of Directors (“the Board”) of Mesiniaga Berhad (“the Company”) and includes certain matters at the Group level, encompassing its subsidiaries.

The Board is primarily responsible for ensuring that the principles of good corporate governance are practised and that an appropriate corporate governance structure is in place in the Company to create, protect, and enhance shareholders’ and stakeholders’ values and promote sustainability.

The Board must be an effective steward and guardian of the Company, setting its strategic direction, overseeing the conduct of business, ensuring compliance with laws, upholding ethical values (Code of Business Conduct), and maintaining an effective governance structure to provide an appropriate level of internal controls and risk management.

2. Objectives

The objectives of the Board Charter are to ensure that the members of the Board are aware of their roles, duties, and responsibilities, apply the principles and practices of good corporate governance in their business conduct, and comply with various laws and regulations governing them and the Company.

3. Board Composition and Size

The Board determines the Board size and composition, subject to the limit imposed by the Company’s Memorandum and Articles of Association (“M&A”). Unless otherwise determined by the general meeting, the number of Directors shall not be less than two (2) or more than ten (10).

The Board's Composition shall include a balanced mix of skills, knowledge, and expertise to ensure effectiveness. As stipulated by the Bursa Securities Listing Requirement, at least Two (2) directors or One-Third (1/3) of the Board (whichever is higher) shall consist of independent directors.

The tenure of an independent director shall not exceed a cumulative term of nine (9) years unless redesignated as a non-independent director or with proper justification and shareholders’ approval at the Annual General Meeting to retain the director as an independent director.

Before accepting the appointment to the Board, a candidate must be aware that they must devote sufficient time to attending to the Company or the Group matters.

In accordance with the Malaysian Code on Corporate Governance 2017 (“MCCG”), a director must notify the Company before accepting a new directorship elsewhere.

4. Board Functions

The Board takes responsibility for the overall performance of the Company and its obligations to the Company's shareholders and stakeholders.

The Directors may exercise all such powers of the Company and do all such acts on behalf of the Company in managing the business of the Company within the scope of the Company's M&A, the Companies Act 2016 or any relevant acts, and its subsequent amendments thereto.

5. Roles & Responsibilities of the Board

The Board is entrusted with leading and overseeing the Company's business. It is responsible for the Company's progress and for ensuring its well-being. The Board also sets the Company's strategic direction and objectives. The Board is responsible for approving performance targets, monitoring Management's achievements, providing overall policy guidance, and ensuring that policies and procedures for internal control systems are in place.

In line with the best practices recommended by the MCCG, the Board also assumes the role of formulating succession planning, which includes appointing, training, fixing compensation where appropriate. This is implemented by overseeing the Company's human capital development process and compensation against predetermined evaluation criteria.

i. Board of Directors

The principal roles and responsibilities of the Board members are as follows:-

- a. Reviewing, challenging and approving the strategic plan proposed by the Management, ensuring the strategic plan supports long-term value creation taking into consideration economic, environment, social and governance underpinning sustainability;
- b. Overseeing the conduct of the Company's business, including the establishment of performance objectives, risk management and internal control systems, corporate governance framework and human capital; management;
- c. Acting at all times with utmost good faith in the best interest of the Company in any transaction and acting honestly and responsibly in the exercising of its powers in discharging its duties;
- d. Identifying principal risks and ensuring implementation of appropriate systems to manage these risks;
- e. Succession planning, including appointing, training, fixing the compensation and, where appropriate, replacing Senior Management;
- f. Reviewing the adequacy and the integrity of the Company's internal control and management information systems, ensuring regulatory compliance with the applicable laws, regulations, rules and directives;
- g. Adhering to the Code of Ethics for Company Directors issued by the Companies

Commissions of Malaysia, and supporting sound corporate governance and processes in setting standards and corporate values to promote integrity;

- h. A director appointed by virtue of his position as a shareholder's representative must act in the best interest of the Company in which he sits as a board member. In the event of any conflict between his duty to act in the best interest of the Company and his duty to his nominator, he must not subordinate his duty to act in the best interest of the Company to his nominator; and
- i. Maintaining a sound understanding of the business and keeping abreast of relevant developments to ensure he can effectively discharge his duties and responsibilities.

ii. Independent Director

In accordance with Paragraph 1.01 of the Main Market Listing Requirements (“MMLR”), an Independent Director means a director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of an applicant or a listed issuer. Without limiting the generality of the foregoing, an independent director is one who –

- a. is not, and has not been within the last 3 years, an officer of the Company, For this purpose, “officer” has the meaning given in section 2 of the Companies Act but excludes a director who has served as an independent director in the Company for a cumulative period of less than 12 years;
- b. is not a major shareholder of the Company;
- c. is not a family member of any executive director, officer or major shareholder of the Company;
- d. is not acting as a nominee or representative of any executive director or major shareholder of the Company;
- e. has not been engaged as an adviser by the Company under such circumstances as prescribed by the Exchange, or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the Company under such circumstances as prescribed by the Exchange;
- f. has not engaged in any transaction with the Company under such circumstances as prescribed by the Exchange, or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with Company under such circumstances as prescribed by the Exchange; or
- g. has not served as an independent director in the Company for a cumulative period of more than 12 years from the date of his first appointment as an independent director.

The responsibilities of an independent director include the following: -

- a. Enhances the independence and objectivity of the Board's deliberations from the executive arm of the Company.
- b. Mitigates any possible conflict of interest between the policy-making process and the day-to-day management of the Company.
- c. Challenges and contributes constructively to the development of business strategies and direction of the Company;
- d. Ensures the Board uses adequate systems and controls to safeguard the interests of the Company.
- e. Ensures effective 'check and balance' in the proceedings of the Board.
- f. Monitors and provides an objective view of the performance of executive directors and management in meeting the agreed goals and objectives.

iii. Chairman

The Chairman of the Board shall provide leadership to the Board of Directors, and ensure effective governance processes are in place. The Chairman is accountable to the Board and acts as a liaison between the Board and the Company's Management.

The primary duties and responsibilities of the Chairman are as follows: -

- a. To act as a liaison between Management and the Board;
- b. To keep abreast of the activities of the Company and Management so that sufficient information is provided to enable the directors to form appropriate judgments;
- c. To approve arrangements for Annual and Extraordinary General Meetings;
- d. To chair Board and General Meetings;
- e. To review and sign minutes of Board meetings; and
- f. To call special meetings of the Board when necessary.

iv. Senior Independent Director

The Board shall appoint a Senior Independent Non-Executive Director, who will be the primary channel for shareholders to inquire about the Company and express their concerns.

v. Board Committees

The Board shall establish Committees, including the Nomination & Remuneration Committee, the Audit & Risk Management Committee and Investment Committee. Members of these Committees must comply with the criteria determined by the MMLR. Each Committee shall have a defined term of reference, which the Board must approve.

The Chairman of each Board Committee shall report the items discussed and actions

taken, along with their recommendations, to the Board at each meeting.

vi. Managing Director or Chief Executive Officer

The Managing Director or Chief Executive Officer's key responsibilities are as follows:

- a. To achieve the Group's stated financial targets;
- b. To achieve the Group's targeted customer satisfaction score;
- c. To achieve the Group's employee engagement score;
- d. To ensure retention of top talents within the Group;
- e. To represent the Group in engagement with shareholders, including attendance at the AGM;
- f. To represent the Board in signing the audited financial reports;
- g. To be responsible for ensuring that the accounts of the Group and its financial affairs have been managed accurately and reliably;
- h. To represent the Group in contractual agreements with customers, partners and principals;
- i. To ensure that the Group complies with all regulations related to its business operations; and
- j. To lead the management team in implementing strategies and policies.

vii. Company Secretary

The Company Secretary shall advise the Board on issues relating to compliance with laws, rules, procedures, and regulations affecting the Company and its Group of companies, as well as the principles of best corporate governance. The Company Secretary is also responsible for advising the Directors of their obligations and adherence to matters pertaining to disclosure of interest in securities, disclosure of any conflict of interest in a transaction involving the Company and its Group of companies, prohibition on dealing in securities, and restrictions on disclosure of price-sensitive information.

Apart from playing the role of an advisor to the Directors, the duties of the Company Secretary also include, amongst others, attending all Board meetings, ensuring that the proceedings of Board meetings and decisions made thereof are accurately and sufficiently recorded and adequately kept to meet statutory obligations, communicate the decisions of the Board to the Management for further action, ensuring all appointments and resignations of Directors are in accordance with the relevant legislation, formulation and review of Board Charter periodically, handling Company share transactions, coordinating on dividend payments, and making corporate disclosure announcements.

The appointment and removal of the Company Secretary shall exclusively be within the purview of the Board.

6. Board Meetings and Procedures

i. Frequency of Meeting

The Board shall meet as and when it deems fit, but not less than Four (4) times annually. The quorum for the Board meeting shall be Two (2) members.

ii. Notice of the Meeting

The agenda of a Board of Directors meeting (BOD Meeting) shall be determined in consultation with the **Chairman** of the Board. The notice of the meeting must be circulated by the Company Secretary to the Board no later than seven (7) days prior to the scheduled meeting date. The meeting materials may be included with the notice or to be sent separately, but no later than five (5) days before the meeting date.

iii. Meeting and Minutes

In accordance with Article 124 of the Company's M&A, a resolution in writing signed by all Directors shall be effective for all purposes as a resolution passed at a meeting of the Directors duly convened, held and constituted.

The Board may invite other persons to attend its meetings, as it may from time to time consider desirable, to assist the Board in fulfilling its duties.

A Director is required to: -

- a. Prepare for board meetings, contribute constructively to board discussions and decision-making, and conduct due inquiry before approving a matter;
- b. Ensure key transactions or critical decisions are deliberated and decided on by the board in a meeting; and
- c. Ensure his decisions and the basis for those decisions, including any dissenting views, are made known and properly minuted.

The minutes of meeting must be documented and kept by the Company Secretary.

7. Access to Advice

The Board and individual Board members have direct access to the officers of the Company, including the Company Secretary. If and when necessary, the Board may also engage the services of independent advisors in the furtherance of its duties at the expense of the Company.

8. Declaration of Interest

Subject to the requirements of any acts, rules or regulations that are in force from time to time and in addition to such mandatory requirements, members of the Board are required to notify the Company Secretary of changes in the following: -

- i. Shareholding in the Group and its related companies, whether direct or indirect; and
- ii. Directorships or interest in any other companies.

In addition to the above, any member of the Board who has a material interest, either directly or through a spouse or close relative, in matters being considered by or likely to be considered by the Board shall declare that interest. Such declarations should describe the interest clearly and state whether it carries direct or indirect financial benefits.

9. Anti-Bribery and Corruption

The Board members are expected to observe the highest standards of ethical conduct, integrity and accountability as specified by the Mesiniaga Business Conduct Guidelines.

The Board endorsed the Mesiniaga Anti-Bribery and Corruption Policy on 24 February 2020 and will continue to uphold it. New board members appointed after that date shall certify in writing that they have read, understood, and will abide by the Policy. The Human Resources Department shall document and retain a copy of this declaration during the Director's tenure.

10. New Board Members

New Board Members must participate in an induction session conducted by the Company. They will receive a briefing on the terms of their appointment, their duties and obligations, and the operations of the Company. The following documents will be provided to the newly appointed Directors:

- i. Board Charter;
- ii. M&A;
- iii. The Board's committees, composition and terms of reference (if any);
- iv. Latest Annual Reports and financial statements; and
- v. Organisation Chart

11. Maintaining Proper Records and Accounts

The directors of the Company must ensure the maintenance of proper accounting records and other records, including but not limited to:-

- i. explain sufficiently the business, transactions and financial position of the Company and its subsidiaries;
- ii. enable the preparation of true and fair financial statements; and

- iii. enable the accounting and other records of the Company and its subsidiaries to be conveniently and properly audited.

These records are to be retained for not less than seven (7) years from the completion of the transaction or operations to which the entries or records relate. If any accounting and other records are kept at a place outside Malaysia, the directors shall comply with any directions issued by the Securities Commission and any other authorities.

Where the financial statements of a subsidiary are required to be consolidated into the financial statements of the Company, the subsidiary and its directors must provide the with all information and records necessary to enable the preparation of the consolidated financial statements in accordance with the approved accounting standards.

12. Group Governance

The Company and its directors must ensure an adequate framework for cooperation and communication between the Company and its subsidiaries to enable it to discharge its responsibilities, including oversight of the Company's financial and non-financial performance, business strategy and priorities, risk management, including material sustainability risks, and corporate governance policies and practices.

The Company and its Directors must establish and ensure that the corporate governance framework includes a code of conduct and ethics, policies and procedures on anti-corruption, whistleblowing, conflict of interest management, material sustainability risk management, and board diversity, including gender diversity.

The subsidiaries and their directors must provide the Company and its directors with any information requested to enable the Board to effectively oversee the subsidiaries' performance, including assessing the Group's financial and non-financial performance and other relevant matters.

13. Review of the Board Charter

The Board shall review the Board Charter at least annually and make necessary amendments where the Board deems necessary.