



Company No. 200901034925  
(878041-A)

# BOARD CHARTER

## Table of Contents

<b>1. Introduction .....</b>	<b>3</b>
<b>2. Interpretation .....</b>	<b>3</b>
<b>2.1 In this Charter: .....</b>	<b>3</b>
<b>3. Objectives of the Board .....</b>	<b>4</b>
<b>4. Role of the Board.....</b>	<b>4</b>
<b>5. Board Structure .....</b>	<b>5</b>
<b>5.1 Board Balance and Composition .....</b>	<b>5</b>
<b>5.2 Role of the Chairman .....</b>	<b>6</b>
<b>5.3 Role of the CEO .....</b>	<b>7</b>
<b>5.4 Independent Directors.....</b>	<b>8</b>
<b>5.5 Senior Independent Directors.....</b>	<b>8</b>
<b>5.6 Company Secretary .....</b>	<b>9</b>
<b>5.7 Board Committees .....</b>	<b>9</b>
<b>5.8 Investor Relations and Shareholders' Communication .....</b>	<b>10</b>
<b>6. Board Processes .....</b>	<b>10</b>
<b>6.1 Frequency .....</b>	<b>10</b>
<b>6.2 Agenda &amp; Meeting Papers .....</b>	<b>11</b>
<b>6.3 Minutes .....</b>	<b>11</b>
<b>6.4 Access to Information and Independent Professional Advice .....</b>	<b>11</b>
<b>6.5 Induction Process.....</b>	<b>12</b>
<b>6.6 Directors' External Commitments and Conflict of Interest.....</b>	<b>12</b>
<b>7. Review.....</b>	<b>13</b>

## 1. Introduction

In achieving the objectives of transparency, accountability and effective performance for EA Holdings Berhad (“EAH” or “the Company”) and its subsidiaries (“the Group”), the enhancement of corporate governance standards is vital and it is with the aim of enshrining the concepts of good governance as promulgated in the new Malaysian Code on Corporate Governance 2017 (“the Code”) that this Board Charter (“Charter”) is established.

The Charter serves as a reference point for Board activities and should not be construed as a blueprint for Board operations. Just as each organisation has its own corporate culture, the dynamics of each Board is unique. The dynamics shift as the composition of the Board changes, and the Directors of the Company should always be open to new opportunities and ready to confront new challenges brought about by change.

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 of Directors enshrined in the Act, the Income Tax Act, 1967 and other relevant statutes, including the conduct of the Board as stipulated in the Articles of Association, the constitution of the Company. This Board Charter shall constitute, and form, an integral part of each Director’s duties and responsibilities.

## 2. Interpretation

### 2.1 In this Charter:

“Act” means the Companies Act 2016

“Board” means the Board of Directors of the Company.

“Bursa Securities” means Bursa Malaysia Securities Berhad.

“Business” means the business of the Group.

“Chairman” means the Chairman of the Board and is used in a gender neutral sense.

“Company Secretary” means the Board secretary(ies) or the person(s) normally exercising the functions of a Board secretary.

“Independent Director” is defined in accordance to Paragraph 1.01 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

“Listing Requirements” means the Main Market Listing Requirements of Bursa Securities.

“Management” means the management personnel of the Company. “CEO” means the Chief Executive Officer of the Company.

“Shareholders” means the shareholders of the Company.

### **3. Objectives of the Board**

The Board is accountable to Shareholders and is responsible for the stewardship of the Group’s Business and affairs. Significantly, the Board shall seek to ensure that the Business objectives of the Group is aligned with the expectations of Shareholders with a view to enhancing long-term Shareholders’ value whilst taking into account the interests of other stakeholders.

Additionally, the Board has to warrant that the operations of the Group are being effectively managed in a manner that is properly focused on those Business objectives, conforming to regulatory and ethical requirements as well as maintaining high standards of transparency, accountability and governance.

### **4. Role of the Board**

Shareholders elect the Board to oversee management and to ensure that Shareholder long-term interests are served. Through oversight, review and counsel, the Board establishes and promotes EAH’s business and organizational objectives, provides leadership to EAH, oversees business affairs and integrity, works with management to determine the Company’s mission and long-term strategy.

The Board has delegated certain responsibilities to committees which operate in accordance with Charter approved by the Board and delegated the day to day management of the Business of the Group to Management and CEO.

The Board is responsible for overseeing risk management of the Company. The Board exercises direct oversight of strategic risks to the Company and other risk areas are delegated to one of its committees.

The Board shall reserve a formal schedule of matters for its decision to ensure that the direction and control of the Group is firmly in its hands. This includes strategic issues and planning, material acquisition and disposal of assets, capital expenditure, risk management policies, appointment of auditors and review of the financial statements, financing and borrowing activities, ensuring regulatory compliance and reviewing the adequacy and integrity of internal controls.

The principal duties and responsibilities of the Board including those adopted from the Code are:

- together with senior management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behavior;
- review, challenge and decide on Management's proposals for the Company, and monitor its implementation by Management;
- ensure that the strategic plan and direction of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- supervise and assess the conduct and performance of the Management to determine whether the business is being properly managed;
- ensure there is a sound framework for internal controls and risk management;
- understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate 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 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;
- ensure that the Company has in place procedures to enable effective communication with stakeholders; and
- ensure the integrity of the Company's financial and non-financial reporting.

## **5. Board Structure**

### **5.1 Board Balance and Composition**

- 5.1.1 The Board should be of a size and composition with the benefit of diversity in perspectives and skills that is conducive to effective decision making and effective discharge of its roles and responsibilities for the benefit of the Group and its Business.

In accordance with Paragraph 15.02 of the Bursa Malaysia Listing

Requirements, the number of Independent Directors should make up of at least two or one-third, whichever is higher, of the total Board members.

- 5.1.2 The appointment of a new Director to the Board is only made after consultation with the Nomination Committee and it is of essence of the Board to ensure high levels of professional skills and appropriate personal qualities are pre-requisites for such nominee. Further, in identifying candidates for appointment of directors, the Board does not solely rely on recommendations from existing Board members, management or major shareholders. The Board utilises variety of independent sources to identify suitably qualified candidates
- 5.1.3 The Board also 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 CEO separate.
- 5.1.4 The Board recognises the significant representation by Directors who are capable and willing to make Business decisions and judgement in the best interest of the Group and free from influences which would give rise to conflict of interest with that duty and are also independent of Management. The Board decision making process should be independent and objective.
- 5.1.5 The Board recognises the need for an appropriate balance between executive Directors who possess extensive direct experience and expertise in the core Business activities of the Group, and non-executive Directors who have outstanding track records and reputation, and who are able to bring to the Board a broad range of general commercial expertise and experience.
- 5.1.6 A Director should inform the Board's Chairman before he/she accepts any new directorships in public listed companies and other companies, if any conflict of interest.

## **5.2 Role of the Chairman**

- 5.2.1 The Chairman carries out a leadership role in the conduct of the Board and its relations with the shareholders and other stakeholders. The Chairman is primarily responsible for:
- providing leadership for the Board so that the Board can perform its responsibilities effectively;
  - setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;
  - leading Board meetings and discussion



- encouraging active participation and allowing dissenting views to be freely expressed;
- managing the interface between Board and Management;
- ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;
- leading the Board in establishing and monitoring good corporate governance practices in the company; and
- be the spokesman for the Company.

### 5.3 Role of the CEO

- 5.3.1 The position of the CEO in essence is to ensure the effective implementation of the Group's Business Plan and policies established by the Board as well as to manage the daily conduct of the business and affairs to ensure its smooth operation.
- 5.3.2 The CEO, in association with the Chairman, is accountable to the Board for the achievement of the Group's mission, goals and objectives.
- 5.3.3 CEO 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, designed to ensure that the Group's requirements for growth, profitability and return on capital are achieved;
  - directing and controlling all aspects of the business operations in a cost effective manner;
  - effectively oversee the human resources of the Group with respect to key positions in the Group's hierarchy and recruitment of senior management staff, determination of remuneration as well as terms and conditions of employment for senior management and issues pertaining to discipline;
  - 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;
  - ensures compliance with governmental procedures and regulations and business relationships;
  - 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;

- assist 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.

## 5.4 Independent Directors

- 5.4.1 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 of Directors and Board committees of the Company and the Group as defined under Paragraph 1.01 of the Listing Requirements.
- 5.4.2 In line with the MCGG, the tenure of an independent Director should not exceed a cumulative term of nine years. Upon completion of the nine years, an independent Director may continue to serve on the board as a Non-Independent Director. The Board may recommend and subject to obtaining the approval of the Company's shareholders, retain an Independent Director who has served a cumulative term of nine (9) years as an Independent Director of the Company.
- 5.4.3 If the Board continues to retain the Independent Director after year-12, the Board should provide justification and seek shareholders' approval through a two-tier voting process.
- 5.4.4 The role of Independent Directors is to constructively challenge and help develop proposals on strategy including, 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
  - 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.

## 5.5 Senior Independent Directors

- 5.5.1 The Board shall appoint among its members a Senior ID to act as:-
- a sounding board for the Chairman;



- an intermediary for other Directors when necessary; and
- the point of contact for shareholders and other stakeholders.

## 5.6 Company Secretary

- 5.6.1 The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board recognises the fact that the Company Secretary should be suitably qualified, competent and capable of carrying out the duties required of the post.
- 5.6.2 The key role of the Company Secretary is to provide unhindered advice and services for the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.
- 5.6.3 The roles and responsibilities of a Company Secretary include, but are not limited to the following:
- Manage all Board and Committee meeting logistics, attend and record minutes of all Board and Committee meetings and facilitate Board communications;
  - Advise the Board on its roles and responsibilities;
  - Facilitate the orientation of new directors and assist in Director Training and Development;
  - Advise the Board on corporate disclosures and compliance with company and securities regulations and listing requirements;
  - Manage processes pertaining to the annual shareholder meeting;
  - Monitor corporate governance developments and assist the Board in applying governance practices to meet the board's needs and stakeholders' expectations; and
  - Serve as a focal point for stakeholders' communication and engagement on Corporate Governance issues.

## 5.7 Board Committees

- 5.7.1 The Board reserves the right to establish Committees from time to time in the discharge of its duties and responsibilities. The existence of the Board Committees does not diminish the Board's responsibilities for the affairs of the Group where the delegation of power shall be subjected to the approved terms of references and are in accordance with this Charter.
- 5.7.2 The Board shall establish the policy of Board Committees to assist the Board on carrying out its duties:
- a) Audit and Risk Management Committee ("ARMC")**  
ARMC assists in fulfilling the Board's stewardship accountability to its Shareholders and financial stakeholders. The ARMC shall provide assurance to the Board with quality and reliable financial information and are responsible for the accuracy and integrity of the Group's financial reporting.

**b) Nomination Committee (“NC”)**

The NC 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. The NC also reviews and recommends to the Board corporate governance principles to be implemented for the Group, in compliance with the MCCG.

**c) Remuneration Committee (“RC”)**

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

## 5.8 Investor Relations and Shareholders’ Communication

- 5.8.1 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.
- 5.8.2 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.
- 5.8.3 The Chairman shall take responsibility for addressing queries from Shareholders, stakeholders and analysts. In the performance of this responsibility, the Chairman shall be mindful of the regulatory requirements pertaining to price sensitive information.
- 5.8.4 The Group’s website, <http://www.eah.com.my>, provides easy access to corporate information pertaining to the Group and its activities and is continuously updated.

## 6. 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. No one person should dominate the discussion. The Chairman, assisted by the Company Secretary, shall play a mediator’s role to maintain the order of the proceedings in a constructive, productive and effective manner.

### 6.1 Frequency

- 6.1.1 The Board should meet regularly, at least on a quarterly basis. Special

Board meetings should be held in addition to the quarterly meetings as and when required. Prior notice of meetings will be given to all who are required to attend the meetings.

- 6.1.2 Board members are 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.
- 6.1.3 Additional formal business is dealt with as required, whether by physical, videoconferencing or telephonic meetings, as well other electronic meetings allowed under the laws or the Company's Constitution. All resolution, attendance, transactions, quorums and votes obtained through electronic means shall be deemed valid and effective unless it contravenes the requirements of relevant statutes and regulations.
- 6.1.4 All meetings of the Board will be conducted in accordance with the Constitution of the Company and applicable laws.

## **6.2 Agenda & Meeting Papers**

- 6.2.1 The notice of a Directors' meeting should be given in writing at least seven (7) days or deemed reasonable period prior to the meeting.
- 6.2.2 A well prepared board agenda will enhance the Board's productivity and strengthen its strategic and supervisory role. The Chairman, in conjunction with the executive Director and the Company Secretary, shall undertake the primary responsibility for preparing the Board's agenda. The agenda shall include, amongst others, matters specifically reserved for the Board's decision.
- 6.2.3 As a matter of best practice and to allow ample time for Directors to consider the relevant information, Board papers and agenda items are to be circulated at least five (5) business days prior to the meeting. It is recommended that where there is a need to table a report, a brief listing of findings and/or recommendations is prepared.

## **6.3 Minutes**

- 6.3.1 The Board shall record its deliberation, in terms of the issues discussed, and the conclusions thereof in discharging its duties and responsibilities.

## **6.4 Access to Information and Independent Professional Advice**

- 6.4.1 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

- 6.4.2 All Directors should have access to the advice and services of the Company Secretary. The Board should recognise that the Chairman is entitled to the strong and positive support of the Company Secretary in ensuring the effective functioning of the Board.
- 6.4.3 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 through an agreed procedure laid down formally.
- 6.4.4 Subject to prior approval of the Chairman, the cost of the advice will be reimbursed by the Company but the Director will ensure, so far as is practicable, that the cost is reasonable.

## **6.5 Induction Process**

- 6.5.1 The objective of the induction process is to provide Directors with a rapid and clear insight into the Group as well as keeping them abreast with development in the market place pertaining to the oversight function of Directors. This will enable the Directors to discharge their duties and responsibilities effectively.

## **6.6 Directors' External Commitments and Conflict of Interest**

- 6.6.1 The Company's Articles of Association 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 Act. The Director concerned shall not participate in deliberations and shall abstain himself from casting his votes in any matter arising thereof.
- 6.6.2 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.
- 6.6.3 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.

## **7. Review**

This Board Charter is to be reviewed by the Board at least annually as and when required.

*This Board Charter has been approved and adopted by the Board on 8 January 2021.*