

**BOARD CHARTER**

**FOR**

**MTAG GROUP BERHAD**

[Registration No. 201801000029 (1262041-V)]

Board Charter

**Introduction**

The Board of Directors (“Board”) of MTAG Group Berhad (“MTAG” or the “Company”) are committed to uphold the highest standards of corporate governance throughout the Company and its subsidiaries (“the Group”). The Board Charter sets out the authority, responsibilities, membership and operation of the Board of MTAG, adopting principles of good corporate governance and practice, that complies with applicable laws.

The Board is regulated by, amongst others, the ACE Market Listing Requirements (“AMLR”) issued by Bursa Malaysia Securities Berhad, the Capital Markets and Services Act 2007 (“CMSA”), the Companies Act 2016 (“CA”), and the Malaysian Code on Corporate Governance 2021 (“MCCG”) issued by the Securities Commission and the provisions of the Constitution of MTAG as well as all applicable laws, regulations and guidelines.

**2. Objectives**

To actively oversee the conduct and provide direction to the management on the business and affairs of MTAG towards enhancing business prosperity and corporate accountability with the ultimate objective of meeting the goals of the Company, realising long term shareholder value and safeguarding the interests of stakeholders.

**3. Roles and Responsibilities**

**3.1 Principal Responsibilities of the Board**

The Board has adopted the following responsibilities for effective discharge of its functions:

- (a) To provide leadership and oversee the overall conduct of the Group’s businesses to ensure that the businesses are being properly managed;
- (b) To review and adopt strategic plans for the Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
- (c) To review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard the Group’s reputation, and the employees and assets and to ensure compliance with applicable laws and regulations;
- (d) To ensure that the Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the MCCG;
- (e) To review and approve the annual business plans, financial statements and annual reports;
- (f) To monitor the relationship between the Board and the management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders’ communications policy for the Group;
- (g) To appoint the Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by the Board committees and deliberate on the recommendations thereon;

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- (h) To ensure organization's strategy and anti-corruption and anti-bribery policy are aligned;
- (i) To take into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management;
- (j) To ensure that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders; and
- (k) To enhance investor relations and shareholder communication, to ensure there is effective, transparent and regular communication with its stakeholder.

In order to promote a meaningful engagement and communication with stakeholders, the Company has established a corporate website as an investor contact point and for disseminating information about the Company, and formalize a Corporate Disclosure Policy and Procedures.

### **3.2 Roles of Individual Directors**

3.2.1 A Director shall at all times exercise his powers in good faith for a proper purpose and in the best interest of the Company and shall act honestly and exercise reasonable care, skill and diligence in the discharge of the duties of his office. He shall not make use of any information acquired by virtue of his position as a director to gain directly or indirectly a benefit for himself or for any other person or to cause detriment to the Company.

3.2.2 A Director shall, at all times, avoid conflicts of interest and shall as soon as practicable after the relevant facts have come to his/her knowledge, declare the nature of his/her interest at a meeting of the directors of the Company. Every Director shall give notice to the Company of such events and matters relating to him/her as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the CA.

### **3.3 Roles of Non-Executive Directors ("NED")**

NEDs are the custodians of the governance process and are persons of calibre, credibility and have the necessary skill and experience to bring an independent judgement to bear on the issues of strategy, performance and resources, including key appointments and standards of conduct. They are not involved in the day-to-day running of the business but monitor the executive activity and should constructively challenge and contribute to the development of strategy.

### **3.4 Roles of Executive Directors ("ED")**

The EDs' (or in the absence of an ED, the Managing Director ("MD")) responsibilities include, but are not limited to the following:

- (i) to ensure the efficient and effective day-to-day management of the Company with all powers, discretions and delegations authorised by the Board;
- (ii) to establish and implement the strategic direction of the Company as approved by the Board;

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(iii) to make recommendations to the Board relating to the business and operations of the Company; and

(iv) to identify and to ensure all material matters affecting the Company are brought to the attention of the Board.

### **3.5 Roles of Chairman**

The Chairman of the Board shall be appointed by the Board and may hold an executive office with the Company. However, the position of the Chairman and MD must be held by different individuals. In the absence of the Chairman and/or an appointed deputy in any meeting, the remaining members present shall elect one (1) of themselves to chair the meeting in accordance with the provisions set out in the Constitution of MTAG.

The responsibilities of the Chairman include, but are not limited to, the following:

(i) to oversee the Board in the effective discharge of its role;

(ii) to instil good corporate governance practices, leadership and effectiveness of the Board;

(iii) to monitor the workings of the Board and conduct of the Board meeting;

(iv) to ensure all relevant issues for the effective running of MTAG's business are on the agenda for Board meetings;

(v) to ensure that quality information to facilitate decision-making is delivered to Board members on a timely basis;

(vi) to encourage all directors to play an active role in Board activities, including leading Board meetings and discussions and encourage active participation and allowing dissenting views to be freely expressed;

(vii) to manage the interface between the Board and the management;

(viii) to ensure appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;

(ix) to chair general meetings of shareholders; and

(x) to liaise with the MD and Company Secretary on the agenda for Board meetings.

### **3.6 Roles of MD**

The responsibilities of the MD include, but are not limited to ensuring the effective implementation of the Company's strategic plan and policies established by the Board, and managing the daily conduct of the business to ensure its smooth operations, supervision and management of the Company, subject to such directions and instructions from the Board. The MD is accountable to the Board for the achievement of the Company's goals and objectives and observance of Management's limits of authority.

#### **4. Matters reserved for the Board**

The following are matters specifically reserved for collective decision of the Board which may be varied from time to time as determined by the Board: -

- (a) Limits of Authority including any amendments thereto;
- (b) Strategic Business Plan;
- (c) Annual Budget/Plan;
- (d) Audited and Quarterly Financial Statements;
- (e) Approval of new business activities and ventures of the Company;
- (f) Terms of reference of Board Committees;
- (g) Appointment and/or removal of Company Secretary;
- (h) Appointment or removal of External Auditors and Auditors' remuneration;
- (i) Related Party Transactions ("RPTs");
- (j) RPTs or Non-Mandated Recurrent RPTs regardless of value except in the absence of binding commitment;
- (k) Terms of Appointment of EDs and NEDs;
- (l) Changes in group structure e.g. acquisition and disposal of subsidiaries, issuance of new share capital;
- (m) Constitution of MTAG including any amendments thereto; and
- (n) The giving of any guarantee (with the exception of bank guarantee in connection with the operating business) or indemnity or the creation or issue of any debenture, mortgage, charge or other security or interest over its assets by the Company.

#### **5. Directors' Access to Management and Independent Advisors**

Directors shall have access to management and, as necessary and appropriate, to the Group's independent advisors, in order to keep themselves fully informed of the Group's affairs and to enable them to make sound business judgements. Directors shall have full and unrestricted access to information, records, properties and personnel of the Group in performing their duties.

#### **6. Division of Roles between the Board and the Board Committees and between the Board and Management.**

6.1 The Board may from time to time establish committees as is considered appropriate to assist in carrying out its duties and responsibilities. The Board delegates certain functions and grants discretionary authority to the following committees to assist in the execution of its responsibilities on certain operational matters but ultimately the responsibility for final decision on all matters lies with the Board: -

**i) Audit Committee (“AC”)**

The AC ensures that the processes, systems and controls that the Company has in place are robust and appropriate to manage the risks faced by the Company. The AC also appoints and monitors the standard and quality of the internal and external auditor’s service.

**ii) Nominating Committee (“NC”)**

The NC has the responsibility of ensuring that Board members and senior management have the necessary skills and experience, and there are measures in place to provide for the orderly succession of board and senior management. The appointment of the Board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, ethnicity, cultural and religious background, and gender. The NC shall periodically review and refresh the composition of the Board.

**iii) Remuneration Committee (“RC”)**

The RC has the responsibility of ensuring that the remuneration and incentive policies, practices and key performance indicators are appropriately established and are aligned with our Group’s vision, values and business objectives and market trends.

**iv) Risk Management Committee (“RMC”)**

The RMC has the responsibility of reviewing the effectiveness of risk management and setting the risk appetite of the Company. The RMC also reviews the risk management framework, processes and reports to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks.

6.2 There must be clear division of the roles and responsibilities of the Board and Management to ensure that there is a balance of power and authority.

**7. Directors’ Fit and Proper Policy**

The Board has established a Directors’ Fit and Proper Policy for the appointment and re-election of Directors of MTAG and its subsidiaries, to ensure that the Directors have the necessary quality, competencies and integrity to discharge their roles effectively.

In conducting the Fit and Proper assessment, the Board through its NC shall consider the following criteria as outlined in the Policy:

- Character and Integrity;
- Experience and Competence; and
- Time and Commitment.

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Any candidate who has been identified for appointment as a Director or for re-appointment/re-election as a Director shall be required to make a Fit and Proper declaration form as prescribed by the NC.

The Fit and Proper Policy is made available on the Company's website at [www.mtaggroup.com](http://www.mtaggroup.com).

**8. Appointment, Membership and Term**

The Constitution provides for a maximum of twelve (12) directors and a minimum of two (2) directors so that a quorum can be formed to transact business at meetings. The majority of the Board shall be Independent Directors. Others may be invited by the Chairman to attend all or part of any meeting.

The appointment of Board members shall be in accordance with the Company's Constitution. All directors shall retire from office once at least in every three (3) years, but shall be eligible for re-election.

The tenure of an Independent Non-Executive Director shall not exceed a term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Non-Executive Director, may continue to serve on Board as a Non-Independent Non-Executive Director. If the Board intends to retain an Independent Non-Executive Director beyond nine (9) years, the Board shall provide justification and seek annual shareholders' approval through a two-tier voting process.

An Independent Non-Executive Director must not serve in the Company and/or in any one or more of the Company's related corporation for a cumulative period of more than twelve (12) years from the date of his/her first appointment as an Independent Non-Executive Director.

**9. Limit on Directorships**

The number of directorships that may be held at any one time by member of the Board are five (5) for any listed company, including the position on the Board of MTAG or such other requirement as prescribed or approved by the AMLR.

**10. Consultation Prior to External Appointments**

Prior to the acceptance of any relevant external appointments such as directorship of listed companies, organisations or other associations, NEDs should first consult with the Chairman on such proposed appointment.

**11. Quorum**

The quorum for meetings shall be two (2) members. A duly convened meeting of a Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion vested in or exercisable by the Board.

## **12. Frequency of Meetings**

The Board shall meet not less than once every three (3) months.

## **13. Notice of Meetings**

Meetings, other than those regularly scheduled will be called by the Secretary of the Board at the request of the Chairman. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Board and any other person required to attend, no later than seven (7) calendar days before the date of the meeting.

## **14. Conduct of the Board**

Except as outlined above, meetings of the Board will be conducted in accordance with the provisions of the Company's Constitution.

A resolution of the Board may be passed by a majority of all Directors of those present and entitled to vote in deciding the matters deliberated in the meeting. In the event of an equality of votes, the Chairman of the Board shall be entitled to a second or casting vote. The Chairman shall not have a casting vote if there are only two (2) Directors (being competent to vote) forming the quorum of a meeting.

Directors' Written Resolution may be passed in between meetings in accordance with the Company's Constitution and shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

## **15. Attendance**

The MD and Chief Financial Officer of the Company shall normally be invited to attend the meetings to assist in the deliberations and resolution of matters raised. Where their expertise is required, MTAG management or any other external professionals may also be invited to attend the Board meetings.

## **16. Minutes of Meetings**

The Secretary of the Board shall minute the proceedings and resolutions of all Board meetings, including the names of those present and in attendance. The minutes of the Board, when approved by the Board should be circulated to all members of the Board in a timely manner.

## **17. Company Secretary**

The Company Secretary should be suitably qualified and possess the knowledge and experience to carry out the duties required. The roles and responsibilities of a Company Secretary include, but are not limited to the following:



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- 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;
- Serve as a focal point for stakeholders' communication and engagement on corporate governance issues; and
- Manage and co-ordinate new Director orientation and continuous education, which include the Mandatory Accreditation Programme ("MAP") pursuant Rule 15.08 of AMLR.

**18. Code of Conduct**

The Directors are to maintain the highest degree of integrity and professionalism while at the same time promoting transparency and accountability in their actions. MTAG has in place a Code of Conduct establishing standards of ethical conduct for Directors, employees and, where applicable, counterparts and business partners of MTAG.

**19. Review of the Board Charter**

The Board Charter shall be reviewed by the Board annually to ensure its relevance in assisting the Board to discharge its duties with the changes in the corporate laws and regulations that may arise from time to time and to remain consistent with the Board's objectives and responsibilities.

The Board Charter was last reviewed on 22 September 2023.