

EXPRESS POWERR SOLUTIONS (M) BHD

Registration No. 202301027296 (1521219-K)

(Incorporated in Malaysia)

BOARD CHARTER

1. INTRODUCTION

The Board of Directors (“**Board**”) of Express Powerr Solutions (M) Bhd (“**Company**”) adopts this Board Charter to outline the manner in which its constitutional powers and responsibilities of the Board will be exercised and discharged, having regard to principles of good corporate governance, international best practice and applicable laws.

This Board Charter shall constitute and form an integral part of each Director’s duties and responsibilities.

This Board Charter is not an “all inclusive” document and should be read as a broad expression of principles.

The Board understands that the responsibility for good corporate governance rests with them and therefore strives to follow the principles and best practices stated in the Malaysian Code on Corporate Governance 2021 (“**Code**”).

The Company hereinafter shall refer to Express Powerr Solutions (M) Bhd whilst the Group shall refer to the Company and its subsidiary(ies).

This Board Charter serves as a source reference and primary induction literature, providing insights to existing and prospective board members to assist the Board in the performance of their fiduciary duties as directors of Express Powerr Solutions (M) Bhd. It will also assist the Board in the assessment of its own performance and of its individual Directors. This Charter is available at the Company’s website. The Company’s website is under construction. The screen will prompt “Under Construction” until it is ready.

2. THE BOARD OF DIRECTORS

2.1 Authority and Matters Reserved for the Board’s Decision

The Board must establish written policies and procedures to provide a sound framework of authority and accountability within the Group and to facilitate proper corporate decision-making at the appropriate level in the Group’s hierarchy.

The day-to-day operations of the Group shall be managed and administered by the management of the Group, subject always to the policies and procedures set by the Board.

The business and affairs of the Group shall be managed by or under the direction of the Directors. The Directors have all the powers necessary for managing and for directing and supervising the management of the business and affairs of the Group subject to any modification, exception or limitation contained in the Companies Act 2016 (“**Act**”) or in the Company’s Constitution (“**Constitution**”).

2.2 Board Composition and Board Balance

The composition and size of the Board shall be well-balanced with an effective mix of Executive Directors and Independent Non-Executive Directors, which is in line with MCCG and it should be well balanced with qualified individuals with diverse experience, character, integrity, competence and

time to effectively discharge their responsibilities and duties legally under the various laws, regulations and rules as company Director. This balance enables the Board to provide clear and effective leadership to the Group and facilitates the Board in making informed and critical decisions on many aspects of the Group's strategies and performances. The Board structure also ensures that no individual or group of individuals dominates the Board's decision-making process.

The Board is committed to ensure good governance practices as set out under the Code by implementing the following: -

- (i) The number of Directors shall not be less than two (2) and not more than fifteen (15), as stipulated in the Constitution, and at any time, at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors, in compliance with Rule 15.02(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**AMLR**"). In the event of any vacancy in the board of directors, the vacancy must be filled within 3 months.

The Code's Practice 5.2 states that at least half of the Board should comprise Independent Directors.

Rule 1.01 of the AMLR provides the definition of "Independent Director" as 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 the Company. Without limiting the generality of the foregoing, an Independent Director is one who: -

- (a) Is not, and has not been within the last three (3) years, an officer of the Company or any related company of the Company (each Company is referred to as the "**said Company**"). For this purpose, "officer" has the meaning given in section 2 of the Act, but excludes Independent Director in any one or more of the said Company for a cumulative period of less than 12 years, and who has not served as an Independent Director for more than 12 years from the date of their first appointment as such.
 - (b) Is not a major shareholder of the said Company;
 - (c) Is not a family member of any Executive Director, officer or major shareholder of the said Company;
 - (d) Is not acting as a nominee or representative of any Executive Director or major shareholder of the said Company;
 - (e) Has not been engaged as an adviser by the said Company under such circumstances as prescribed by Bursa Securities, or is not presently a partner, Director (except as an Independent Director) or major shareholder, as the case may be, of a firm or company which provides professional advisory services to the said Company under such circumstances as prescribed by Bursa Securities; or
 - (f) Has not engaged in any transaction with the said Company under such circumstances as prescribed by Bursa Securities, or is not presently a partner, Director or major shareholder, as the case may be, of a firm or Company (other than subsidiaries of the Company) which has engaged in any transaction with the said Company under such circumstances as prescribed by Bursa Securities;
- (ii) The appointment of Directors shall be recommended by the Nomination Committee ("**NC**") and approved by the Board. Upon appointment, each Director shall be provided with a formal letter setting out the director's duties, obligations, expected commitment, remuneration package and other entitlement. The letter shall be signed by the Managing Director / Executive Director ("**MD / ED**") on behalf of the Company;

- (iii) The Board may appoint a senior Independent Non-Executive Director to whom shareholders' concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman of the Board or the MD / ED have failed to resolve them. The senior Independent Non-Executive Director is also act as:-
 - (a) a sounding board for the Chairman;
 - (b) an intermediary for other Directors when necessary; and
 - (c) the point of contact for shareholders and other stakeholders.
- (iv) The Board shall appoint an Independent Non-Executive Director as the Chairman of the NC, as well as considering the other Independent Directors based on their seniority and experiences;
- (v) Based on the Code's Practice 1.3, the positions of the Chairman of the Board and the MD / ED should be held by different individuals with the Chairman being responsible for leading the Board in its collective oversight of management while the MD / ED focuses on the business and day-to-day management of the Group. The Chairman of the Board should be an independent non-executive member of the Board;
- (vi) The Practice 1.4 of the Code states that the Chairman of the Board should not be a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee;
- (vii) The Board shall have procedures to allow its members access to information and advice. The management of the Group shall supply accurate and complete information to the Board in a timely manner to enable the Board to discharge its duties effectively. Occasions may arise when the Board may seek legal, financial, governance or expert advice in the course of their duties. The Board should be able to consult advisers and, when considered necessary, to seek independent professional advice. The Board should be entitled to do so at the Company's expense through an agreed procedure; and
- (viii) The Board comprises at least 30% women directors.

2.3 Directors' Nomination

As set out in the Code and AMLR, every listed corporation must ensure that each of its Directors, Managing Director or Financial Controller ("FC") has the character, experience, integrity, competence and time to effectively discharge his role as a Director, Managing Director or FC, as the case may be, of the listed corporation.

All nominations of candidates for the positions of Directors, Managing Director and FC must be submitted to the NC for consideration. The NC shall refer to the guidelines as detailed hereunder before recommending the candidates to the Board for approval: -

- (i) Age limit;
- (ii) Requirements as set out in the Constitution, AMLR, the Act and any other regulatory compliances;
- (iii) Work experience;
- (iv) Qualifications;
- (v) Personal background;

- (vi) Competencies;
- (vii) Directorship; and
- (viii) Fit and proper criteria.

The Board has in place a **Fit and Proper Policy** to ensure that the person to be appointed or elected/re-elected as Director possesses the necessary quality and character as well as integrity, competency and commitment.

2.4 Appointment of Directors

In identifying candidates for appointment of Directors, the Board may utilise independent sources in addition to considering recommendations from existing Board members, management or major shareholders.

The appointment of a new Director is a matter for consideration and decision by the full Board, upon the recommendation from the Nomination Committee (NC). In making these recommendations, the NC will consider the required mix of skills, experience and diversity, including gender, where appropriate, which the Director brings to the Board.

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

2.5 Tenure of Directors

Clause 102 of the Constitution provides that every newly appointed Director shall be subjected to re-election at the Company's next Annual General Meeting ("AGM") subsequent to their appointment. Furthermore, Clause 95(a) of the Constitution provides that one third (1/3) of the Board shall retire from office and be eligible for re-election at every AGM, and all Directors shall submit themselves for re-election once at least every three (3) years. A retiring Director shall retain office until the close of the meeting at which he retires.

A newly appointed Directors shall hold office until the AGM following their appointment and shall then be eligible for re-election by shareholders. The proposed appointment of new Board members, resignation of existing members, as well as the proposed re-election of the Directors are approved by the Board upon the recommendation of the Nomination Committee.

The Code's Practice 5.3 states that the tenure of an Independent Director should 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 subject to the Director's re-designation as a Non-Independent Director.

An Independent Director may be retained as an Independent Director after a cumulative term of nine (9) years, subject to:

- (i) An assessment and recommendation of the NC; and
- (ii) The Board recommends with strong justification for annual shareholders' approval in a general meeting via a two-tier voting process.

Under the two-tier voting process, the decision for the resolution is determined based on the vote of Tier 1 and simple majority of Tier 2. The shareholders' votes will be cast in the following manner at the same shareholders meeting:

- (a) Tier 1: Only the Large Shareholder(s) of the company votes; and
- (b) Tier 2: Shareholders other than Large Shareholders votes.

If there is more than one Large Shareholder, a simple majority of votes determine the outcome of the Tier 1 vote.

The 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 the 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 effect to such decisions or cause them to be given effect to.

An Independent Director who has a cumulative term of more than twelve (12) years may remain on the Board only if he or she is re-designated as a Non-Independent Non-Executive Director.

2.6 Disqualification of Vacation of Office

- (i) is subject to Sections 196(3) and 209 of the Act, resigns from his office by giving a written notice to the Company at the Office;
- (ii) has retired in accordance with the Act or the Constitution of the Company but is not re-elected;
- (iii) is removed from office in accordance with the Act or the Constitution of the Company;
- (iv) becomes disqualified from being a director under Sections 198 or 199 of the Act;
- (v) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001 or such legislation having the same effect;
- (vi) becomes disqualified under section 68 of the Islamic Financial Services Act 2013;
- (vii) dies;
- (viii) resigns his office by notice in writing to the Company;
- (ix) without the consent of the Company in general meeting holds any other office of profit under the Company except that of managing or executive Director;
- (x) is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare the nature of his interest in the manner;
- (xi) otherwise vacate his office in accordance with the Constitution;

- (xii) absents himself from more than fifty per cent (50%) of the total Board's meetings held during a financial year, unless an exemption or waiver is obtained from the Exchange; and
- (xiii) is convicted by a court of law, whether in Malaysia or elsewhere, in relation to any of the offences set out in Paragraph 15.05(1) of the AMLR as follows:-
 - (a) an offence in connection with the promotion, formation or management of a company;
 - (b) an offence involving fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
 - (c) an offence under the securities laws (means the Capital Markets and Services Act 2007 ("CMSA"), the Central Depositories Act and the SICDA).

2.7 External Board Appointments

Any Board member, whilst holding office, is at liberty to accept other Board appointments as long as the appointment is not in conflict with the business of the Company and does not detrimentally affect the Director's performance as a Board member. All such appointments must be notified to the Board before being accepted. The notification should include an indication of time that will be spent on the new appointment.

2.8 Indemnities and Insurance

The Company shall make all reasonable effort to provide Directors with, and will pay the premium for, indemnity and insurance cover while acting in their capacities as Directors, to the fullest extent permitted by the Act and relevant legislation.

3. ROLES AND RESPONSIBILITIES

3.1 Roles and Responsibilities of the Board

The Board shall lead and manage the Company in an effective and responsible manner and all the Directors have an equal responsibility for the Group's operations and corporate accountability. The Board shall also set the Group's strategic aims, values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Section 211(1) of the Act states that the business and affairs of a company shall be managed by, or under the direction of the Board.

Section 211(2) of the Act states that the Board has all the powers necessary for managing and for directing and supervising the management of the business and affairs of the company subject to any modification, exception or limitation contained in the Act or in the Constitution of the Company.

The Board recognises the following specific roles and responsibilities:-

- (i) Together with the Key Senior Management, promote good corporate governance culture within the Group which enforces ethical, prudent and professional behavior;
- (ii) Reviewing, challenging and deciding on Management's proposal on matters as set out in the Limit of Authority, which includes the overall corporate strategy, business plan, budget and regulatory plan, and monitor the implementation by Management;
- (iii) Reviewing and adopting a strategic plan for the Group, including setting performance objectives and approving operating budgets for the Group, as well as ensuring that they support long-term value creation and account economic, environment and social consideration to promote sustainability;

- (iv) Monitoring the implementation of strategic plans by management;
- (v) Timely review and approve all quarterly and annual financial statements for declaration to Bursa Securities and stakeholders. The Audit and Risk Management Committee (“**ARMC**”) reviews and recommends the financial statements prior to presentation to the Board;
- (vi) Overseeing the conduct of the Group’s business to evaluate whether the business is being properly managed, monitoring the Group’s performance and build sustainable value for all stakeholders of the Group;
- (vii) Review the Board and Key Senior Management remuneration policy and procedure. The Remuneration Committee (“**RC**”) shall review the remuneration packages of Board members and Key Senior Management prior to presentation to the Board;
- (viii) Identifying and evaluating business risks and ensure implementation of a managed and sound risk management framework;
- (ix) Approve the nomination, selection, succession policies, and remuneration packages for the Board members, Board Committee members, Nominee Directors on the functional Boards of the subsidiary(ies), and the annual manpower budget for the Group, including managing succession planning, appointing, training, fixing the compensation of, and where appropriate replacing senior management or key management personnel;
- (x) Reviewing the adequacy and integrity of the internal control system and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- (xi) To review and oversee the appointment, resignation or termination of Directors, company secretaries, auditors and Key Senior Management;
- (xii) Ensure that control measures for corruption prevention are put in place and ensure systematic review, monitoring and enforcement of the Company’s anti-bribery and corruption policy;
- (xiii) Ensure establishment of succession plans for the Board members and Key Senior Management including appointing, training, fixing the compensation of and where appropriate, replacing Key Senior Management. The NC shall review succession plans for Board members and Key Senior Management prior to presentation to the Board;
- (xiv) Ensure the Board is supported by at least a suitably qualified and competent Company Secretary to whom shall advice on compliance with applicable laws and any amendment to the laws and regulations related to the Code, Act and AMLR;
- (xv) Formalise ethical standards of conduct through a **Code of Conduct & Ethics** for Directors and management and ensure compliance;
- (xvi) Developing and implementing an investors’ relations programme and a shareholders or stakeholders communication policy;
- (xvii) Ensure there is regular monitoring and communication between the Company and subsidiaries on financial and non-financial performance to ensure overall compliance to the strategic direction and vision of the Group;
- (xviii) Review the adequacy and integrity of the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines (including the securities laws, Act and AMLR);

- (xix) Review and approve the Financial Statements encompassing annual audited accounts and quarterly reports, dividend policy, credit facilities from financial institutions and guarantees;
- (xx) Review and approve the Audit and Risk Management Committee Report, Risk Management and Internal Control Statement for the Annual Report;
- (xxi) Prepare a Corporate Governance (CG) Overview Statement and CG Report on compliance with the MCCG for the Annual Report;
- (xxii) Review and approve investment policies and guidelines for the Company's surplus funds, asset allocation policy and policy on exposure limits on investment with banking institutions;
- (xxiii) Review and approve the capital expenditure, purchase of fixed assets, operating expenditure, variation order and any other matters in accordance with the Limit of Authority;
- (xxiv) Approve the appointment of external auditors and their related audit fees;
- (xxv) Ensure subsidiaries provide the Company with all necessary information for its supervision of the subsidiaries' performance, including assessment of financial and non-financial related performance.

3.2 Roles and Responsibilities of the Directors

Directors are accountable to their shareholders and should use their best efforts to ensure that the Company is properly managed and constantly improved so as to protect and enhance shareholders' value, and to meet the Company's obligations to all parties with which the Company interacts and its stakeholders. Their responsibilities, amongst others, include the following: -

- (i) Abide by all regulatory and statutory requirements that affect them;
- (ii) At all times act in good faith in the best interests of the Company as a whole and not in the interests of some other person or body;
- (iii) Exercise reasonable care, skill and diligence with the knowledge, skill and experience which may be reasonably expected of a Director having the same responsibility and any additional knowledge, skill and experience which the Director in fact has;
- (iv) 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.
- (v) Make the business judgement in good faith for a proper purpose, in the best interests of the Company, does not have a material personal interest in the subject matter of the business judgment, is informed about the subject matter of the business judgment to the extent the Director reasonably believes to be appropriate under the circumstances;
- (vi) Exercise the powers granted by the Company's Constitution for "proper purposes", and not for any collateral purpose;
- (vii) Refrain from or prevent any act that would adversely affect decision-making concerning the activities of the Company;
- (viii) Endeavour to avoid conflicts of interest wherever possible. Where a conflict arises, they must adhere scrupulously to the procedures provided by the law, the Constitution and the **Conflict of Interest Policy** of the Company for dealing with conflicts, whereby they must disclose their nature of interest during the Board meeting and shall not participate in any discussion and shall abstain from the decision-making process;

- (ix) Maintaining a general but clear understanding of the Company's business and context, including the political, legal and social framework within which it operates. Directors should be aware of the statutory and regulatory requirements that affect the Company; and
- (x) Preparing appropriately for each Board and Board committee meeting by reviewing the materials provided and requesting, where appropriate, information that will allow the Director to properly participate in the Board's deliberations, probe management and make informed business judgement.

The Directors have individual and independent access to the advice and dedicated support services of the Company Secretary in 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, or request further explanation, information or updates, on any aspect of the Company's operations or business concerns from the management.

3.2.1 Conflict of Interests

Directors must avoid any conflict-of-interest situation and comply with the **Conflict of Interest Policy** of the Company. In any situation that involves or may be expected to involve a conflict of interest with the Company, Directors should immediately disclose their interest whether direct or indirect to the Company.

Directors must at all times act in the best interest of the Company and not for personal gain or enrichment. Specifically, Directors shall follow the following guidelines: -

- (a) Avoid placing own interest or any third-party interest above the Company;
- (b) Not engage in any outside business that would directly or indirectly materially adversely affect the Company;
- (c) Not abuse Board membership by improperly using Board membership for personal or third-party benefit; and
- (d) Not accept gifts, gratuities, honoraria or any other item of value from any person or entity as a direct or indirect inducement to provide special treatment to such donors.

3.3 Roles and Responsibilities of the Chairman of the Board

Clause 121 of the Constitution provides that a Chairman shall be elected from amongst the Board members to head the orderly conduct and function of the Board. The Chairman's roles and responsibilities, amongst others, include: -

- (i) Providing leadership to the Board, and overseeing the Board in the effective discharge of its fiduciary duties;
- (ii) Leading the Board so that the Board can perform its responsibilities effectively in achieving corporate objectives and long-term success of the Company;
- (iii) Review contributions made by Board members, whilst the NC is given the task to review effectiveness in terms of performance and develop the criteria on independence assessment;
- (iv) Facilitating effective and productive working relationships between the Managing / Executive Directors and Non-Executive Directors and manage the interface between Board and management;

- (v) Ensuring an effective communication with shareholders and stakeholders, and ensuring that their views are communicated to the Board as a whole, in particular, at the AGM, which represents the principal forum for dialogue and interaction with shareholders;
- (vi) Encouraging active participation and allowing dissenting views to be freely expressed;
- (vii) Leading the Board in establishing and monitoring good corporate governance practices in the Company;
- (viii) The Chairman, in consultation with the Company Secretary, sets the agenda for the Board meetings and ensures the Board members receive complete and accurate information in a timely manner;
- (ix) The Chairman is responsible for managing the business of the Board including setting the Board agenda to ensure that:-
 - (a) All Directors are properly briefed on issues arising at Board meetings; and
 - (b) Sufficient time is allowed for the discussion of complex or contentious issues and where appropriate, arranging for informal meeting to enable thorough discussion by the Board;
- (x) Leading Board meeting and discussions. At Board meetings, the Chairman plays a mediator's role to maintain the order of the proceedings in a constructive, productive and effective manner; and
- (xi) The Chairman has a casting vote in the case of an equality of votes, except where only two (2) Directors form a quorum or if there are only two (2) Directors competent to vote on the question at issue.

3.4 Roles and Responsibilities of the MD / ED

The MD / ED has overall executive responsibility for day-to-day business operations and the implementation of the Board's policies, corporate objectives, performance targets and long-term goals; and making operational decisions as well as ensuring that management is proactively seeking to build the Group's business through innovation, initiative, embracing new technologies and the development of new solutions in line with market demands and expectations. The MD / ED shall also integrate sustainability considerations in the day-to-day operations of the Group and ensure the effective implementation of the Group's sustainability strategies.

The MD / ED is responsible for ensuring the provision of accurate, timely and clear information relating to the business and financials of the Group to the Board. All Board's authorities conferred on the management is delegated through the MD / ED and this will be considered the MD / ED's authority and accountability as far as the Board is concerned.

3.5 Separation of function between the Chairman and Managing Director

The roles of the Chairman and MD of Express Power Solutions (M) Bhd are distinct. The distinct and separate roles of the Chairman and MD, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

MD is the highest ranking officer across the Group. He is responsible for the day-to-day business of the Group, within the authorities as delegated by the Board. The primary job tasks for the MD are as follows:

- (a) Strategy development, monitoring and tracking;
- (b) Business development;
- (c) Operational policies and compliance with Acts, Regulations, etc;
- (d) Performance management;
- (e) Human resources management;

- (f) Internal Control and Risk management; and
- (g) Stakeholder management.

3.6 Roles and Responsibilities of the Independent Non-Executive Directors

The Independent Non-Executive Directors shall provide independent judgment and objectivity and are free from any business or other relationship with the Company or the other Directors which could interfere with the exercise of independent judgment or the ability to act in the best interest of the Company. The Independent Non-Executive Directors help to ensure that the interests of all shareholders and not only the interests of a particular group of shareholders, as well as all relevant matters and issues, are objectively and impartially considered by the Board.

The Independent Non-Executive 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.

The Independent Non-Executive Directors 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. For discharging the roles and responsibilities as a Board member.

The Independent Non-Executive Directors' roles and responsibilities, amongst others, include:-

- (i) Provide independent judgment and participate actively in meetings, giving independent views in a constructive manner and bringing an element of objectivity to the Board's decision-making processes; and
- (ii) Provide a check and balance to the Board.
- (iii) Notify the Chairman before accepting any new directorship during their tenure of service. Such notification should include an indication of time that will be spent on the new appointment as Director. In addition, the Non-Executive Directors are to consider the restriction on the number of directorships for compliance with the requirements which are applicable to his in the capacity as a Director of Express Power Solutions (M) Bhd and/or its subsidiary(ies) within the Group.
- (iv) 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.
- (xiv) May submit their request for attending the conferences in accordance with the training approval process, subject to the Board's training policy and availability of budget for each individual director.
- (xv) 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.

3.7 Roles and Responsibilities of the Senior Independent Non-Executive Director

The Senior Independent Non-Executive Director shall serve the roles and responsibilities, amongst others, include: -

- (i) Ensure all Independent Non-Executive Directors have an opportunity to provide input on the agenda and advise the Chairman on the quality, quantity and timeliness of the information submitted by the Management that is necessary or appropriate for the Independent Non-Executive Directors to perform their duties effectively;

- (ii) Consult the Chairman regarding Board meeting schedules to ensure the Independent Non-Executive Directors can perform their duties responsibly and with sufficient time for discussion of all agenda items;
- (iii) Serve as the principal conduct between the Independent Non-Executive Directors and the Chairman on sensitive issues; and
- (iv) 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 and the Managing Director .

3.8 Roles and Responsibilities of the Non-Independent Non-Executive Directors

The Non-Independent Non-Executive Directors' roles and responsibilities, amongst others, include: -

- (i) Provide relevant checks and balances, focusing on shareholders and stakeholders' interests and ensure that high standards of corporate governance and sustainability are applied.
- (ii) Assist in an environment that allows the expression of disagreement when discussing strategic issues.

3.9 Roles and Responsibilities of the Company Secretary

The Company Secretary shall be person(s) who are qualified pursuant to the Act and competent in carrying out his/her duties. The appointment and removal of the Company Secretary shall be decided by the Board.

The roles and responsibilities of the Company Secretary, amongst others, include: -

- (i) Providing sound governance advice, monitor corporate governance development and assist the Board in applying governance best practices to meet the Board's needs and stakeholders' expectations;
- (ii) Preparing agendas and coordinating the preparation of the Board papers in a timely and effective manner;
- (iii) Ensuring that the Board procedures and applicable rules are observed;
- (iv) Maintaining records of the Board and ensure effective management of the organisation's secretarial records;
- (v) Attend all meetings of the Board and Board committees, as well as preparing comprehensive minutes to document the meeting proceedings and ensure that conclusions are accurately recorded;
- (vi) Assisting the communication between the Board and its relevant stakeholders;
- (vii) Advise the Board on its roles and responsibilities;
- (viii) Facilitate the orientation of new Directors and assist in Directors' training and development;
- (ix) Advise the Board on corporate disclosure and compliance with the laws and regulations related to the Code, Act and AMLR;
- (x) Manage the processes pertaining to shareholders' meetings;

- (xi) Serve as a focal point for stakeholders' communication and engagement on corporate governance issues; and
- (xii) Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.

The Directors shall have unlimited access to the services of the Company Secretaries.

4. BOARD COMMITTEES

To assist the Board in the discharge of its duties effectively, the Board has delegated certain functions to the following committees, each operating within clearly defined terms of reference:-

- (i) ARMC;
- (ii) NC; and
- (iii) RC.

Each formally constituted Committee will have their written terms of reference, approved by the Board. Formal minutes of each Committee meeting will be prepared and circulated to each of the Directors within the time frame set out in the relevant Committee's terms of reference, together with a clear list of recommendations and/or other matters and issues for the consideration of the full Board at the next Directors' meeting.

4.1 Audit and Risk Management Committee

The ARMC shall be appointed by the Board from amongst their members. The membership of ARMC shall comprise at least three (3) members, consisting wholly non-executive Directors with a majority of whom are independent. The Chairman of the Committee shall be an Independent Non-Executive Director and is not the Chairman of the Board.

The ARMC shall be responsible for reviewing the process of preparing and implementation of internal procedures, finding solutions and providing avenues for mitigating the elements of risk and maintaining control. The ARMC oversees the Group's risk management framework, including assessing the capabilities of those involved, reviewing internal control systems' effectiveness, recommending corrective actions for weaknesses, monitoring key risks, and communicating risk assessment results to the Board. Additionally, the ARMC is tasked with highlighting the actual and potential impact of any shortcomings, especially those related to the Group's financial performance and conditions.

At the end of every financial quarter, the ARMC assumes the task of reviewing the draft announcements on the Group's financial results prior to its presentation to the Board.

The ARMC acknowledges the establishment of an internal audit function in the Group. This is to ensure its independence in discharging its duties and responsibilities. The fulfilment of internal audit function in the Group is not confined to, but includes:-

- (i) Appraising the effectiveness and application of administrative and financial controls and the reliability and integrity of data that is produced within the Group;
- (ii) Evaluating the adequacy and ascertaining the level of compliance with the Group's policies, plans, procedures and compliance with relevant laws and regulations;
- (iii) Ascertaining the adequacy of controls for safeguarding Group's assets from losses of all kinds and as appropriate, verifying the existence of such assets;

- (iv) Reviewing the operations of the Group as a whole from the point of view of the economy, efficiency and effectiveness with which resources are employed and making cost effective recommendations to the management; and
- (v) Conducting special review or investigations required by the Board or as deemed appropriate.

4.2 Nomination Committee

The primary function of the NC is to setup the policy framework, to recommend to the Board the nomination procedures and lead the succession planning and appointment of Board members, including the future Chairman, Managing Director and Key Senior Management. The NC shall also undertake an annual review of the Board's effectiveness, ensuring that the performance of each individual Director is independently assessed. The determination of the nomination of Independent Non-Executive Directors will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decision in respect of his individual nomination.

4.3 Remuneration Committee

The primary function of the RC is to setup the policy framework and to recommend to the Board, the remuneration package and other terms of employment of the Directors, Managing Director and Key Senior Management. The determination of the remuneration for Directors, Managing Director and Key Senior Management will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decision in respect of his individual remuneration package.

5. BOARD MEETINGS

The Chairman of the Board shall ensure that the Board meets on a regular interval throughout the financial year and shall have processes of meeting which include: -

- (i) The Board shall convene at least four (4) meetings in each financial year and at any such times as it deems necessary to fulfil its responsibilities. The Board's annual meeting calendar is prepared and circulated to Directors before the beginning of each year. It provides the scheduled dates for meetings of the Board and Board Committees, annual general meeting, as well as the closed period for dealings in securities by Directors based on the targeted date of announcement of quarterly results of the Group.
- (ii) A structured formal agenda and Board meeting papers relating to the agenda are circulated to all Directors at least five (5) working days before each Board meeting;
- (iii) The Constitution of the Company shall stipulate the procedures for convening Board meetings and the size and required attendance for the Board's quorum. The quorum for Board meetings shall be at least two (2) Directors. Each member of the Board is entitled to one (1) vote in deciding the matters deliberated in the meeting. The decision that gained the majority votes of the Board shall be the decision of the Board. In the event of an equality of votes, clause 122 of the Company's Constitution applies;
- (iv) Board meeting agendas shall be the responsibility of the Chairman of the Board with input from Board members, management and/or the Company Secretary;
- (v) The Company Secretary shall be appointed as Secretary of the Board meeting and minutes of meetings shall be taken and signed by the Chairman of the Board meeting;
- (vi) Board minutes of each Board meeting are circulated in a timely manner and kept by the Company Secretary and are available for inspection by any Director during office hours;

- (vii) Minutes of meetings must accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberating on a particular matter;
- (viii) The Board and Board committees are also allowed to carry out the resolution by way of circulation;
- (ix) Individual Directors must attend at least 50% of the Board meetings held in each financial year or such other percentage as may be prescribed by the AMLR;
- (x) The participation of the Director can be facilitated by means of video or telephone conferencing which permits instantaneous communication; and
- (xi) Relevant management personnel may be invited to attend the Board or Board committee meetings.
- (xii) Any Director who has a direct or deemed interest in the subject matter to be deliberated abstains from deliberation and voting on the same during the meeting.
- (xiii) The minutes prepared by the Company Secretary memorialise the proceedings of all meetings, including the tabling of pertinent issues, the substance of inquiry and response, members' suggestions and the decisions made, including whether any director abstained from voting or deliberating on a particular matter, as well as the rationale behind those decisions.

6. CONTINUING EDUCATION PROGRAMMES

The Board should, on a continuous basis, evaluate and determine the training needs of its Directors and ensure that their training needs are met. The Board should ensure its members have access to appropriate continuing education programmes.

It is compulsory for newly appointed Directors to attend the Mandatory Accredited Programme (MAP) prescribed by the AMLR.

The Directors shall continue to attend relevant training programmes conducted by external experts. The management and/or Company Secretary shall, from time to time, provide updates regarding any latest amendments pertaining to the AMLR and statutory provisions or new regulations and accounting standards imposed by the relevant authorities.

The Board shall disclose in the Annual Report the education programme or trainings attended by the Directors during the financial year.

7. FINANCIAL REPORTING

The Board aims to provide and present a clear, balanced and meaningful assessment of the Group's financial position and prospects by ensuring quality financial reporting through the annual financial statements and quarterly financial results to its stakeholders, in particular, shareholders, investors and the regulatory authorities.

The ARMC assists the Board in scrutinising information for disclosure to ensure the quality of financial reporting and adequacy of such information, prior to submission to the Board for its approval. As required by the Act, the Directors are responsible for the preparation of annual financial statements in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company at the end of each financial year and of the results and cash flows of the Group and of the Company for the financial year. The accounting policies and methods once adopted, are consistently applied and supported by reasonable judgements and estimates.

The Directors have responsibility for ensuring that the Group keeps proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Group and to enable them to ensure that the financial statements comply with the Act and applicable approved accounting standards in Malaysia.

In addition, the Directors are also responsible for taking reasonable steps to safeguard the assets for the Group and to prevent and detect fraud as well as other irregularities.

8. EXTERNAL AUDITORS

The Board maintains a transparent and professional relationship with the external auditors. The ARMC meets with the external auditors at least once a year to discuss their audit plan, audit findings and the financial statements. The ARMC also meets the external auditors without the presence of the executive Directors and the management at least once a year. From time to time, the external auditors highlight to the ARMC and the Board on matters that require the Board's attention.

The role of the ARMC in relation to both the internal and external auditors is described in the Terms of Reference of the ARMC.

9. DIRECTORS' REMUNERATION

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve these goals.

The fees of the Non-Executive Directors and any benefits payable to the Directors including any compensation for loss of employment of a Director shall from time to time be determined by an Ordinary Resolution of the Company in general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree.

The level of remuneration for the Executive Directors is determined by the RC after giving due consideration to the compensation levels for comparable positions among other companies operating within the similar industry. The Director concerned shall abstain from deliberation and voting on his/her own remuneration.

The Directors shall be paid for all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of Directors of the Company.

No Director other than Executive Directors shall have a service contract with the Company.

A formal independent review of the Directors' remuneration is undertaken at the end of each financial year.

10. BOARD EVALUATION AND PERFORMANCE

The NC shall evaluate the performance of the Board members as a whole and individually, including the Board committees on an annual basis.

The Board's effectiveness is assessed in the areas of composition, administration, accountability and responsibility, conduct, and the performance of the Chairman and MD. The Board, through the Governance and Regulatory Committees effectiveness assessment, examines the respective Governance and Regulatory Committees, including their respective Chairmen, to ascertain whether their functions and duties are effectively discharged in accordance with their respective Terms of Reference.

The Directors' Self and Peer Assessment is intended to evaluate the mix of skills, experience and other relevant qualities the Directors bring to the Board, and takes into account the individual director's ability to exercise independent judgement at all times and to contribute to the effective functioning of the Board. The Self and Peer Assessment process also examines the ability of each Board or Committee member to give material input at meetings and to demonstrate a high level of professionalism and integrity in the decision-making process.

The ARMC and RC shall also be reviewed by the NC to ascertain its performance and effectiveness on an annual basis.

The Board as a whole shall review the performance and effectiveness of the NC on an annual basis.

The NC shall engage an external consultant to conduct the Board Effectiveness Evaluation (BEE) exercise once every three (3) years to facilitate an objective and candid board evaluation.

The assessment results from the BEE form the basis of the NC's recommendation to the Board for the re-election and/or re-appointment of Directors and Board Committee members as well as for further development of the Board and Board Committees.

11. DEALING IN SECURITIES

"Dealings" includes any one or more of the following actions, whether undertaken as principal or as agent:

- (i) acquiring or disposing of securities or any interest in securities;
- (ii) subscribing for or underwriting securities;
- (iii) making or offering to make with any person, or inducing or attempting to induce any person to enter into or to offer to enter into –
 - (a) any agreement for or with a view to acquiring or disposing of securities or any interest in securities;
 - (b) any agreement for or with a view to subscribing for or underwriting securities; or
 - (c) any agreement the purpose or avowed purpose of which is to secure a profit to any of the parties from the yield of securities or by reference to fluctuations in the values of securities; and
- (iv) granting, accepting, acquiring, disposing of, exercising or discharging an option (whether for the call or put or both) or any other right or obligation, present or future, conditional or unconditional, to acquire or dispose of securities or any interest in securities.

A Director must not deal in the securities of Express Power Solutions (M) Bhd as long as he is in possession of price-sensitive information relating to such listed securities. "Price-sensitive information" means information that "on becoming generally available would or would tend to have a material effect on the price or value of securities" as referred to in Section 185 of the CMSA.

12. CONFLICT OF INTEREST AND TRANSACTION INVOLVING DIRECTORS

Conflict arising from the interest (direct or indirect) of a director, member or major shareholder or person connected with such director, member or major shareholder in a transaction proposed to be entered into or action/decision to be taken by Express Power Solutions (M) Bhd or its subsidiary(ies).

Where a Director has an interest (direct or indirect) in a transaction proposed to be entered into or action/decision to be taken by Express Power Solutions (M) Bhd or its subsidiary(ies), he/she may be biased in making the commercial or regulatory decision which could be to the detriment of Express Power Solutions (M) Bhd or its subsidiary(ies).

Directors can be regarded as having a conflict of interest where the company, he or she is associated with derives an advantage from him being a Director. Therefore, a director is required at all times to

declare such conflict and if so required by the Board, to withdraw from any voting or deliberation of a matter in which the Director or member may have an interest.

The Act provides that a Director who is in any way, whether directly or indirectly, interested in a contract entered into or proposed to be entered into by the Company shall be counted only to make the quorum at the board meeting but shall not participate in any discussion while the contract or proposed contract is being considered at the board meeting and shall not vote on the contract or proposed contract.

Where a contract or proposed contract is entered into in contravention of Section 221 of the Act, the contract or proposed contract shall be voidable at the instance of the Company except if it is in favour of any person dealing with the Company for a valuable consideration and without any actual notice of the contravention. A director who knowingly contravenes Section 221 of the Act shall be guilty of an offence against the Act.

The AMLR further provides that a Director with any interest, direct or indirect, must abstain from board deliberation and voting on the relevant resolution in respect of the related party transaction.

13. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

The Board is mindful of the importance of maintaining proper corporate disclosure procedures with the aim to provide shareholders and investors with comprehensive, accurate and quality information on a timely basis.

The Company's website incorporates an Investor Relations ("**IR**") section which provides all relevant information on the Group and is accessible by the public. This section enhances the IR function by including all announcements made by the Company, annual reports, Board charter and the corporate and governance structure of the Company. The Company will enhance the disclosures on its website for broader and effective dissemination of information to its stakeholders from time to time.

In addition to the above, time will be allocated during AGMs for dialogue with shareholders to address issues concerning the Group. The notice of meeting and the annual report are sent out to shareholders at least 21 days before the date of the meeting in accordance with the Company's Constitution. From the Company's perspective, the AGMs also serves as a forum for the Directors and the management to engage with the shareholders personally to understand their needs and seek their feedback. The Board welcomes questions and feedback from shareholders during and at the end of shareholders' meeting and ensures their queries are responded in a proper and systematic manner.

Besides the key channels of communications through the annual report, general meetings and announcements to Bursa Securities as well as analyst and media briefings, there is also continuous effort to enhance the Group's website at [www..com] as a channel of communication and information dissemination. Continuous improvement and development of the website will be undertaken by the Group to ensure easy and convenient access.

14. INTERNAL CONTROL

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls that provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines. The effectiveness of the system of internal controls of the Group is reviewed periodically by the ARMC.

15. RELATIONSHIP WITH OTHER STAKEHOLDERS

In the course of pursuing the vision and mission of the Company, the Board recognises that no company can exist by maximising shareholders value alone. As stated in the Code's Practice 1.1 "*The Board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The Board should set the*

company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met", the Board has to take into consideration the needs and interests of other stakeholders.

In carrying out the objectives of sustainability, the Board continuously review and update policies relating to:-

(i) Employees

The Group periodically review its remuneration packages and benefits for its employees as they represent the core assets of the Group. The Group continuously provide various training and development programmes for its employees.

(ii) Environment

The Board recognises the need to safeguard and minimise the impact to the environment in the course of achieving the Group's corporate objectives. The Board supports initiatives on environmental issues and abide by all environmental impact laws and regulations in the course of its projects.

(iii) Social Responsibility

The Board acknowledges that the Group should play an important role towards the welfare of the community in which it operates. The Board shall support charitable causes and initiatives on community development projects.

16. CODE OF CONDUCT & ETHICS

The Directors are to maintain the highest degree of integrity and professionalism while at the same time promoting transparency and accountability in their actions.

Express Powerr Solutions (M) Bhd has in place "Code of Conduct & Ethics" which is formulated to enhance the standard of corporate governance and behaviour through:

- (a) Establishing standards of ethical conduct for Directors based on acceptable beliefs and values;
- (b) Upholding the spirit of social responsibility and accountability in line with the legislations, regulations and guidelines governing Bursa Malaysia and the Group; and
- (c) Documenting and emphasising to the Directors, the integral obligation of each Director in performing his duty, to act in a manner that is lawful, honest, ethical and free from any conflict of interest or perceived conflict of interest.

17. WHISTLEBLOWER POLICY

"Whistleblowing" is defined as "the deliberate, voluntary disclosure or reporting of individual or organizational malpractice by a person who has or had privileged access to data, events or information about an actual, suspected or anticipated improper conduct within the organisation or by an organisation that is within its ability to control".

Express Powerr Solutions (M) Bhd has in place "Whistleblower Policy" to manage improper conduct on the part of the Directors, if any. This policy covers areas from lodging of reports to investigation and corrective actions that are required to be taken.

Director's improper conduct is generally described as any conduct by a Director which if proved constitutes a criminal offence or any conduct that constitutes a wrongdoing or malpractice and may include any of the following:

- (a) The breach of any law, regulation or rule that is applicable to the Company. For example, a breach of insider trading laws;
- (b) Any criminal act, including criminal breach of trust, extortion and sabotage;
- (c) Any act that is likely to cause significant financial loss or costs to the Company including any intentional misrepresentation of the Company's financial statements;
- (d) Any other action that would cause significant harm to the Company or to any person(s);

18. REVIEW OF THE BOARD CHARTER

The Board Charter will be periodically reviewed and updated in accordance with the need of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. All amendments to Board Charter must be approved by the Board.

This Board Charter was adopted by the Board on 24 September 2024.

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