SALIRAN GROUP BERHAD
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BOARD CHARTER

SALIRAN GROUP BERHAD

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PURPOSE AND OVERVIEW

Every public-listed company should be headed by an effective Board, which can both lead and control the business.

This Board Charter is intended to serve as a set of standard and guidelines for the Board of Directors ("**Board**") of the Company and is intended to provide a concise overview of:

1. The delineation of the duties, responsibilities and powers of the Board and the Managing Director, Executive Directors and Key Senior Management of the Company; and

2. Board operating procedures and practices pertaining to meetings, nominations and appointments, training and development, performance management and evaluation, code of conduct and declarations on conflicts of interest.

In adhering to the responsibilities set out in this Charter, Board members are expected to perform their duties with integrity, honesty and in a professional manner in accordance with the law in serving the interest of its members, employees, clients and the community.

This Charter is governed by, where applicable, Constitutions of the Company, Companies Act 2016, Malaysian Code on Corporate Governance ("**MCCG**"), applicable regulatory and legislative requirements and other good practices on corporate governance.

A) THE BOARD AND ITS DIRECTORS

1.0 Duties and Responsibilities of the Board

All Directors owe fiduciary duties to the Company and its subsidiaries ("**Group**") and must exercise reasonable care, skill and diligence to ensure the proper management of the entity, including maximising long-term financial returns. The Board is responsible for ensuring that the Group is managed to achieve this result. The Board will direct and supervise the management of the business and affairs of the Group in the best interest of the shareholders.

For effective discharge of its functions, the responsibilities of the Board include:

(i) to provide leadership and oversee the overall conduct of the Group's businesses to ensure that the businesses are being properly managed;

(ii) to set, review and adopt strategic plans, values and standards for the Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;

(iii) to monitor the implementation of strategic plans by Management;

(iv) to promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour, together with the Key Senior Management;

(v) 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;

(vi) to ensure that the Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by MCCG;

(vii) to review and approve the annual business plans, financial statements and annual reports;

(viii) to supervise and assess Management's performance to determine whether the business is being properly managed;

(ix) to monitor the relationship between the Group and Management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders' communications policy for the Group;

(x) to ensure that Key Senior Management have the necessary skills and experience, and measures are in place to provide for the orderly succession of the Board member(s) and Key Senior Management;

(xi) to ensure the integrity of the Group's financial and non-financial reporting;

(xii) to ensure there is a sound framework for internal controls and risk management; and

(xiii) to appoint the members of 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.

(xiv) to provide strategic oversight and leadership on sustainability matters by endorsing the Group's sustainability policies, objectives and targets, and ensuring that sustainability considerations are integrated into the Group's corporate strategy, business operations and decision-making processes;

(xv) to oversee the Group's environmental, social and governance ("ESG") strategy, performance and risk management, ensuring that material sustainability risks and opportunities are identified, assessed and appropriately managed;

(xvi) to review and approve the Group's Sustainability Statement, ESG disclosures and other sustainability-related reporting, and to monitor the Group's progress in achieving its sustainability goals and commitments;

(xvii) to promote a culture of sustainability and responsible business practices throughout the Group, ensuring compliance with applicable sustainability-related laws, regulations, standards and best practices.

The Board may choose to delegate some of these responsibilities to one or more of its Board committees. This delegation of responsibilities will be reflected in the terms of reference of the respective Board committees.

2.0 Size, Composition and Nomination

The size of the Board is stipulated in the Constitution of the Company. The size of the Board must commensurate with the range of credential, knowledge, views and experience needed for effective functioning of the Board and the regulator's requirement of Independent Directors.

The Board is supportive of gender diversity policy. In its selection of Board members, the Board provides equal opportunity to all candidates who meet the criteria and other qualities vis-a-vis the Group present business portfolios and prospective investments.

In identifying candidates for appointment of Directors, the Board with the assistance of Nomination Committee ("**NC**") shall utilise variety of independent sources to identify suitably qualified candidates, where appropriate.

The detailed profiles of nominated Director(s) will be presented to the Board by the NC to assist the Board in their decision whether to confirm the appointment of the nominated Director(s).

All new Director(s) appointed to the Board shall undertake an induction program coordinated by the Managing Director.

3.0 Chairman of the Board

The Board is empowered by the Company to appoint a Chairman. In the absence of the Chairman, the Directors present must elect a Director present to chair the meeting.

The role of the Chairman of the Board is to ensure that the Board is functioning effectively and the key responsibilities of the Chairman of the Board include:

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

4.0 Executive Directors

The key responsibilities of the Executive Directors are to:

- develop strategic direction of the Group;
- ensure Board decisions are implemented and Board directions are responded to;
- provide directions in the implementation of short and long-term business plans;
- provide strong leadership i.e. effectively communicating a vision, management philosophy and business strategy to the employees;
- keep Board fully informed of all important aspects of the Group's operations and ensure sufficient information is distributed to Board members; and
- ensure day-to-day business affairs of the Group are effectively managed.

5.0 Independent Directors

An Independent Director must fulfil the provisions and definition of 'Independent Director' as defined under the ACE Market Listing Requirements ("**the Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") at all times and must declare their independence to the Board annually.

The tenure of an Independent Director should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine years, an Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director. In the event the Board wishes to retain the independence status of an Independent Director, who has served in that capacity for more than nine (9) years, the Board must justify and seek annual shareholders' approval through a two-tier voting process, as follows:

Tier 1: Only the Large Shareholder(s) of the Company votes
Tier 2: Shareholders other than Large Shareholder(s) votes

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

The decision for the resolution is determined based on the simple majority of votes of Tier 1, and a simple majority of votes of Tier 2. The resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution. The resolution is deemed defeated where the vote between the two tiers differs or where Tier 1 voter(s) abstained from voting.

The responsibilities of an Independent Director are:

- provide and enhance the necessary independence and objectivity to the Board;
- ensure effective checks and balances on the Board;
- mitigate any possible conflict of interest in policy-making process and the day-to-day management of the Group;
- constructively challenge and contribute to the development of business strategy and direction of the Group; and
- ensure that adequate systems and controls to safeguard the interests of the Group are in place.

6.0 Managing Director

The key responsibilities of the Managing Director are to:

- oversee the day-to-day operations of the Group and to ensure the smooth and effective running of the Group;
- together with the Head of Departments, to ensure that the business affairs of the Group are carried out in an ethical manner and in compliance with relevant laws and regulations;
- conduit between the Board and Management in ensuring the success of management functions; and
- implements the policies, strategies and decision adopted by the Board.

6.0 Company Secretaries

The appointment and removal of the Company Secretaries are the matters for the Board. The Company Secretaries should be suitably qualified, competent and capable of carrying out the duties required of the position.

The key roles of the Company Secretaries are 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.

The main roles and responsibilities of the Company Secretaries, include but not limited to the following:

- manage all Board's and Board committees' meeting logistics, attend and record minutes of all Board and Board committees' meetings and facilitate Board communications;
- advise the Board on its roles and responsibilities;
- facilitate the orientation of new Directors and assist in Directors' training and development;
- advise the Board on corporate disclosures and compliance with company and securities regulations and Listing Requirements of Bursa Securities;
- manage processes pertaining to the annual shareholders' 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.

B) BOARD OPERATIONS AND PROCEDURES

8.0 Strategic Functions

- **Strategic planning:** Approving the Group's strategy, objectives, associated performance indicators and targets and approving any subsequent material variations.

- **Business planning:** Approving, adopting and monitoring the business plans including operating budgets, capital budgets, performance indicators and major projects including corporate restructures/reorganisation, major capital expenditure, capital management, acquisitions and divestitures and any significant initiatives or opportunities.

- **Funding:** Contributing to and approving a strategy for the Group funding, including funding targets, timelines and avenues and appropriately involving itself in liaison and communication with potential sources of funding.

- **Change management:** Overseeing the Group's capacity to identify and respond to changes in its economic and operating environments.

- **Stakeholder liaison:** Appropriately involving itself in liaison and communication with key stakeholders.

- **Performance monitoring**: Overseeing the conduct and performance of the Group to ensure they are being properly and appropriately managed. To discharge this duty the Board will give specific and regular attention to:

  (i) monitor performance against the strategic and business plans;
  (ii) monitor performance against peer and competitor companies; and
  (iii) enquire and follow up areas of poor performance and their cause.

9.0 Governance and Matters reserved for the Board

- **Delegations of authority:** Reviewing, approving and, where appropriate, revising the delegations of authority from the Board to Management. These delegations must be clearly convey to empower the Managing Director, Executive Directors and Key Senior Management team to run the Group.

- **Committees:** Overseeing the work of the Board committees including determining the need for specific committees, reviewing the need for those committees on an ongoing basis, receiving reports from, reviewing the work of, and considering the recommendations made by each committee.

- **Information needs:** Dictating its information needs to Management including the form, timing, content and style of Board papers and ensuring these are fully addressed on an ongoing basis.

- **Management succession planning:** Ensuring that appropriate plans are in place for the succession of Key Senior Management.

- **Other matters:** Attending to corporate governance matters including the identification and nomination to the members of new Directors to fill Board vacancies and to any other matters identified as reserved to the Board.

10.0 Risk Management, Compliance and Internal Controls

- **Risk management:** Defining the Group's risk appetite, approving and overseeing the operation of the Group's corporate risk management framework, assessing its

effectiveness, understanding and reviewing the major/significant risks facing by the Group and monitoring their management.

- **Internal controls:** Overseeing, reviewing and monitoring the operation, adequacy and effectiveness of the Group's reporting systems and the overall framework of internal controls established by Management including operational, accounting and financial reporting controls.

- **Operational compliance:** Approving, reviewing and monitoring compliance with corporate policies.

- **Legal compliance:** Overseeing, reviewing and monitoring the operation of the Group's procedures to ensure compliance with relevant legislation is actively promoted within the Group. Attention shall also be given to privacy and occupational health and safety programs.

- **Reputation:** Being aware of and, where appropriate, reviewing any litigation, actions, transactions and issues, papers and reports to external/third parties which may have impact on the Group and which may attract public, government, regulatory or other interest.

- **Encourage the reporting of unlawful or unethical behaviour:** Maintaining a firm stance in encouraging the reporting of unlawful or unethical behaviour and ensuring that employees and Management are assured of protection where violations are reported in good faith.

11.0 Financial

- **Financial oversight:** Overseeing all aspects of the Group's financial position including giving specific attention to the quantum, nature and terms of Group's debt facilities and its ability to meet its debts and other obligations as they fall due.

- **Financial reporting:** Approving the annual audited financial statements, the quarterly financial statements, and the theme and text of the annual reports.

- **Audit:** Selecting the Group's External Auditors for approval by the members of the Company, ratifying the appointment of the Internal Auditors and approving their respective scopes of work.

- **Related party transactions:** Reviewing and monitoring all related party transactions to identify whether consideration should be given to seek shareholders' approval and ensuring compliance with the market regulations.

12.0 Human Resource

- **Executive appointment and termination:** The appointment and dismissal of Managing Director and Executive Directors.

- **Executive performance and development:** Ensuring an appropriate process is in place to recruit, review the performance of, remunerate, train and develop the Executives and to provide for Management succession.

- **Executive compensation:** Reviewing and approving the compensation, equity and incentive schemes in place for the Executives to ensure they are appropriate and competitive.

- **Ethical behaviour:** Reviewing, approving and monitoring compliance with the Group Code of Conduct and Ethics, which provides guidance regarding ethical behaviour, including approving all proposed revisions or waivers.

13.0 Relationship between the Board and Management

Subject to the formal delegations of authority, the Board delegates responsibility for the operation and management of the Group's businesses to the Managing Director, Executive Directors and the Key Senior Management team. Management is accountable to the Board and is to fulfil this responsibility through the provision of reports, briefings and presentations on a regular basis throughout the year.

Other Executives and relevant member(s) of Key Senior Management shall attend Board meetings by standing invitation.

The Board will adopt appropriate structures and procedures to ensure it retains its independence and functions independently of management. This will include the Non-Executive Directors meeting in the absence of Management on a scheduled basis.

Independent Directors may communicate with member(s) of the Key Senior Management team at any time.

14.0 Investor and Stakeholder Liaison

The Board's investor and shareholder liaison objective is to ensure that there are effective communications with its shareholders, the financial communities and other stakeholders that fairly and accurately reflect the Group. This is to help the Group to achieve a fair market value for its securities and optimum cost of capital and at the same time to facilitate investors and potential investors to make informed investment decisions.

The Board's investors and stakeholders relations initiatives are designed and driven by the following principles:

- the Board will always report its financial results and material development to Bursa Securities, its shareholders and other stakeholders in an open, timely and comprehensive manner;
- the Board will communicate only through its designated spokespersons;
- the Board will leverage its website as an additional communications channel;
- the Board will proactively address reports and rumors, so as to avoid unnecessary speculation in its securities;
- the Board will give reasonable access to analysts and the media to help them have informed opinions of the Group, but will not seek to influence those opinions or to give information that is not available to the general public; and
- the Board will meet with its shareholders in the Company's Annual General Meeting and Extraordinary General Meeting (if any) to inform and obtain feedback from shareholders.

15.0 Board Committees

The Board may from time to time establish appropriate committees to assist it in the discharge of its responsibilities. However, the Board will not delegate any of its decision making authority to those committees. The Board has established the following committees:

- Audit and Risk Management Committee ("**ARMC**");
- NC; and
- Remuneration Committee ("**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

Where a committee meeting is necessarily held a short time in advance of a Board meeting, for example where the ARMC completes its review of the financial statements only shortly in advance of the Board meeting to approve those accounts, the Board may be verbally briefed by the Chairperson of the committee. However, this must be followed by formal written minutes within the prescribed timeframe.

16.0 Meetings

Board meetings are held at least four (4) times annually. The agenda for each meeting is dictated by the needs of the Board and the matters set out in the annual agenda for attention at a particular meeting.

Additional Board meetings can be convened by the Company Secretaries at the request of any Director at any time by giving all Directors at least seven (7) days' notice in writing. A meeting may, with the consent of all Directors, be convened with shorter notice.

Personal attendance of Board members at meetings is preferred. However, the Board and Board committees may hold meetings at two (2) or more venues using any technology (for example: teleconferencing) that gives all members of the Board or the relevant Board committee a reasonable opportunity to participate in the meeting.

In addition to the above, subject to relevant laws and guidelines, the following should be observed by Board:

- to meet on a quarterly basis, but in any event, no less than once in every three (3) months, or whenever deemed necessary;
- all 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 Listing Requirements of Bursa Securities;
- the quorum of the meetings shall be met pursuant to the Constitution of the Company;
- the participation of the Director can be facilitated by means of video or telephone conferencing;
- the relevant Key Senior Management personnel may be invited to attend the Board meetings;
- the Company Secretary shall be the Secretary of the Board meeting and minutes of meetings shall be taken and documented; and
- information should be supplied to the Directors at least seven (7) days prior to the meeting in order for them to discharge their duties.

In lieu of meeting, the Board is allowed to carry out resolutions by way of circulation.

17.0 Access to Information and Resources

The Board shall:

- have complete, adequate and timely information prior to Board meetings and on an ongoing basis;
- have the resources required to perform its duties;
- have full and unrestricted access to any information pertaining to the Group; and
- be able to obtain independent professional or other advice at the expenses of the Group.

18.0 Continued Education Programme and Training

Directors are expected to undertake continuing professional development programmes to enable them to keep abreast with the corporate governance developments, sustainability issues relevant to the Group and its businesses, including climate-related risks and opportunities. While Management, Company Secretaries, Internal and External Auditors will brief the Board on changes in the legislative, regulatory or industry framework which impact the Group, this is not a substitute for the Directors' efforts to seek continuous knowledge of the changes in the market regulations.

Based on the result of appraisal, the NC would assist the Board to undertake an assessment of the training needs of each Director.

19.0 Remuneration

The Board will consider for adoption a remuneration policy established by the RC designed to enhance corporate and individual performance. The level of remuneration will be designed to attract and maintain talented and motivated Directors and employees. Managing Director, Executive Directors and Key Senior Management are remunerated based on the Group's and individual performance whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience and the level of responsibilities assumed.

The maximum amount of Directors' fees and benefit to be paid to Non-Executive Directors will be recommended by the Board and subject to ordinary resolution of the shareholders.

20.0 Performance Evaluation

The Board reviews and evaluates individual Directors' performance, its own performance and the performance of its committees at least annually based on the report of the NC.

C) OTHER MATTERS

21.0 Indemnity and Insurance

The Board is responsible to consider appropriate insurance policy to mitigate liabilities of Directors and Management holding office in the Group.

22.0 Publication of the Board Charter

This Charter will be available to all Directors. A copy of this Charter shall be published on the Company's website.

23.0 Review of the Board Charter

The Board will review this Charter and make any necessary or desirable amendments to ensure they remain consistent with the Board's objectives, current regulation requirements and governance best practice. Changes of the provisions in this Charter shall be adopted by the Board with a formal resolution.

24.0 Disclosure and Conflict of Interest

Directors are required to take all reasonable steps to avoid actual, potential or perceived conflict of interests with the Group's interest.

Should there be actual, potential or perceived conflict of interest between a company and a Director, or a person connected with Director such as a spouse, other family member, or a related company, the interested Director shall make full disclosure in bona fide and act honestly in the best interest of the Group and shall not participate in deliberations and shall abstain himself from casting his votes in any matter arising there from.

History of Board Charter

Date	Description
7 May 2024	Establishment of the Board Charter