



(Company No. 217120- W)
(Incorporated in Malaysia under the Companies Act, 2016)

BOARD CHARTER

1.0 INTRODUCTION

The Board of Directors (the “**Board**”) of Evergreen Fibreboard Berhad (“**EFB**” or the “**Company**” or the “**Group**”) adopts this Charter to outline the manner in which its constitutional powers and responsibilities of the Board will be exercised and discharged with regards to principles of good corporate governance, best practice of the industry and applicable laws.

This Board Charter shall also constitute and form an integral part of each Director’s duties and responsibilities and is not an “all inclusive” document and should be read as expressed by the principles.

2.0 ROLES AND RESPONSIBILITIES

2.1 Role of the Board

In discharging its responsibilities and its on-going oversight of the Company and its subsidiaries (the “**Group**”), the Board acknowledges that its role includes, but not limited to the following matters herein.

2.2 Ethics and Compliance

2.2.1 The Board is responsible with leading and managing the Group in an effective and responsible manner. Each Director has his/her legal duty to act in the best interest of the Company/Group. Directors are and should be collectively and individually aware of their responsibilities to the shareholders and stakeholders of the Company for the manner in which the affairs of the Company are managed. The Board shall set and approve the Group’s values and standards and ensures that its obligations to its stakeholders are understood and met.

2.2.2 All Directors are to observe high ethical business standards, honesty and integrity and to apply these values to all aspects of the Group’s business and professional practice and act in good faith in the best interests of the Company/Group and its stakeholders.

2.2.3 The Board is aware and understands that the responsibility for good corporate governance rests with them and therefore shall strive to comprehend and apply the principles and practices as in the Malaysian Code on Corporate Governance (“**MCCG Code**”).

2.2.4 The Board shall meet in person at least once every quarter to facilitate the discharge of their responsibilities. Members of the Senior Management who are not Directors can and may be invited to attend, present and speak at meetings on matters relating to their given role of responsibility.

2.2.5 The Board shall establish and review the corporate vision and mission, as well as the setting of goals, objective for the Management and monitoring the performance of the Management.

2.2.6 The Board shall oversee the business and affairs of the Company and will assume, amongst others, the following duties and responsibilities in meeting the goals and objectives of the Company.

- a) review, approve and monitor the overall strategies and direction of the Group and to ensure that the strategic plan of the Company supports long-term value creation and shall include the strategies on economic, environmental, social and governance on sustainability;
- b) oversee and evaluate the conduct and performance of the Group’s businesses, including its control and accountability systems;
- c) together with senior management, promote good corporate governance culture within the Company/Group which reflects ethical, prudent and professional behaviours;

- d) identify, understand and manage principal risks affecting the Company/Group and to understand that business decisions involve appropriate risks taking;
- e) oversee and approve policies relating to stakeholder communication;
- f) review the adequacy of the Group's internal control policy/system;
- g) provide input on annual budgets presented and have final approval of the annual budget;
- h) approve major capital expenditure, capital management and acquisitions/divestitures;
- i) review and monitor systems of risk management and internal compliance and controls, codes of conduct, continuous disclosure, legal compliance and other significant corporate policies;
- j) ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and senior management; and
- k) Ensure the integrity of the Company/Group's financial and non-financial reporting.

2.3 Policies and Strategies

2.3.1 The Board established written procedures (such as the Constitution of the Company and other policies & procedures documents) determining which issues require a decision of the full Board and which issues can be delegated to Board Committees or the Management.

2.3.2 The Board shall oversee the Company Policies as a whole and this includes the Code of Business Conduct and Ethics, Whistleblowing Policy, Anti Bribery Policies with other significant policies recommended under CG Code. The Code of Business Conduct and Ethics promotes ethical values and standards in the workplace while ensuring appropriate internal systems are in place to support, promote and ensure its compliance. The Whistleblowing Policy sets the appropriate communication channels to facilitate whistleblowing by employees, customers, suppliers and other stakeholders.

2.3.3 The Board reserves full decision-making powers, amongst others, on the following matters (to the extent that the Board resolves that determination and/or approval of any such matter shall and can be delegated to the Committees of the Board or Management):-

- a) Conflict of interest issues relating to a substantial shareholder or a director;
- b) Material acquisitions and disposals of undertakings and properties not in the ordinary course of business;
- c) Material investments in capital projects;
- d) Annual budgets (including major capital commitments);
- e) Material corporate or financial exercise /restructuring; and
- f) Declaration of Dividend and Directors' fees.

2.4 Internal Controls and Risk Management

2.4.1 The Board shall oversee, review and monitor the operation, adequacy and effectiveness of Group's system of internal controls.

2.4.2 The Board shall define the risk appetite, approve and oversee the operation of the Group's Risk Management Framework by assessing its effectiveness and reviewing any major/ significant risk faced by the Group.

2.4.3 Ensure the Group out sourced internal audit function, critically reviews all aspects of the Group's activities and its internal controls. Comprehensive audits on the practices, procedures and internal controls of all business and support units and subsidiaries are undertaken on a regular basis.

2.5 Role of Individual Directors

2.5.1 Directors are expected to comply with their legal, statutory duties and obligations when discharging their responsibilities as Directors. These includes:-

- a) act in good faith and in the best interests of the Company as a whole and for proper purpose;
- b) act with care and diligence of a reasonable person based on business judgement;
- c) to avoid any conflicts of interest with the Company in a personal or professional capacity;
- d) refrain from improper use of information gained through the position of Director and from taking improper advantage of the position of a director;
- e) disclosure and abstaining from voting on matters with material personal interest; and
- f) to be in compliance with Company laws, securities legislation and the Listing Requirements.

2.5.2 Directors are required to keep all Board information, discussions, deliberations and decisions that are not publicly known confidential and not use information gained as a director for their interest, or their employers' interest.

2.6 Role of Senior Independent Director

2.6.1 The Board shall appoint a Senior Independent Non-Executive Director to whom concerns pertaining to the Group may be conveyed by stakeholders. The duties of a Senior Independent Director shall include the following:-

- a) Serve as the principal conduit between the Independent Directors and the Chairman on sensitive issues, for example issues that arise from 'whistleblowing'; and
- d) Serve as a designated contact for consultation and direct communication with shareholders and other stakeholders on areas that cannot be resolved through the normal channels of contact with the Chairman or Group Chief Executive Officer and Group Chief Operating Officer ("GCEO & GCOO").

2.7 Role of Chairman

2.7.1 The Chairman is responsible to lead the Board for an effective performance of the Board.

2.7.2 The Chairman is responsible for the leadership of the Board in ensuring the effectiveness of all aspects of its role. The Chairman amongst others shall be responsible for:-

- a) Monitor the workings of the Board especially the conduct of Board meetings;
- b) Ensure that all relevant issues for the effective running of the Company's business are on the meeting agenda;
- c) Ensure that quality information to facilitate decision-making is delivered to Board members on a timely basis;
- d) Encourage all Directors to play an active role in activities of the Board and allowing dissenting views to be freely expressed;
- e) Chair general meetings of shareholders;

f) Liaise with the Group Executive Director (“GED”) and the Company Secretary on the agenda for Board meetings;

g) provide guidance and mentoring to the GCEO, GCOO and the GED, when required;

h) Ensure the process of Board and Committees evaluation are conducted;

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

j) Lead the Board in establishing and monitoring good corporate governance practices in the Company;

k) Fulfil such other responsibilities as are allocated by the Constitution or Authorities from time to time; and

l) Chairman shall ensure that Executive Directors look beyond their executive functions and accept their full share of responsibilities on governance.

2.8 Role of Group Chief Executive Officer and Group Chief Operating Officer

2.8.1 The GCEO & GCOO is primarily accountable for overseeing the day-to-day operations to ensure the smooth and effective running of the Group.

2.8.2 The GCEO and GCOO is responsible for the development and implementation of the strategies for the Group and setting the overall strategic policy and direction of the Group’s business operations based on effective risk management controls.

2.8.3 The GCEO and GCOO shall ensure that the financial management practice is performed at the highest level of integrity and transparency and that the business and affairs of the Group are carried out in an ethical manner and in compliance with the relevant laws and regulations.

2.8.4 The GCEO and the GCOO shall provide effective leadership to the Group and is responsible for ensuring high management competency and that an effective management succession plan is in place to sustain continuity of operations.

2.8.5 The GCEO, GCOO & GED is the conduit between the Board and the Management in ensuring the success of the Company’s governance and management functions.

2.8.6 The GCEO, GCOO and GED shall implement the policies, strategies and decisions adopted by the Board. All Board authorities conferred on the Management is delegated through the GCEO, GCOO and GED and this will be considered as the GCEO & GCOO’s authority and accountability as far as the Board is concerned.

2.9 Role of Committees

The Board has appointed the following Board Committees with specific Terms of Reference:-

- Audit Committee (“AC”);
- Nominating Committee (“NC”);
- Remuneration Committee (“RC”); and
- Risk & Sustainability Management Committee (“RSMC”).

These Committees are designed to consider specific matters and make recommendations to the Board, nevertheless the Board must make an independent assessment of the recommendations, having regard to the Board's knowledge of the business and risks of the Company and the complexity of the structures and operations of the Company.

The Board may from time to time establish other committees to streamline the discharge of its responsibilities.

Each Committee's role has been spelt out in their written Terms of Reference approved by the Board. Each year, the Board, through the Nominating Committee review the Board Committees' effectiveness. The Chairman of each Board Committee should assess the performance of individual committee members on an annual basis. These assessments can be used to facilitate the NC's evaluation of Board Committees' performance.

Independent and Non-Executive Directors play a leading role in these Committees and Chairman of each Committee shall report to the Chairman of the Board on the outcome of the Committee meetings.

3.0 COMPOSITION AND BOARD BALANCE

3.1 Size and Composition

3.1.1 The Board shall consist of qualified individuals with diverse experiences, ethnicity, gender, age, backgrounds and perspectives. The composition and size of the Board is such that it facilitates the making of informed and critical decisions. The Constitution of the Company provides that there will be a minimum of two (2) Directors and a maximum of nine (9) Directors.

3.1.2 In compliance to the MCCG, the Board shall ensure that the composition of the independent directors shall be at least 50 percent and in compliance to MCCG's Intended outcome 4.0, the Board shall ensure to have at least 30% female composition in its overall Board.

3.1.3 The roles of the Chairman and Group Chief Executive Officer ("GCEO") in EFB are distinct with separate roles. The Chairman and GCEO has a clear division of responsibilities as to ensure a balance of power and authority so that no one individual has unfettered powers of decision-making.

3.1.4 The GCEO, GCOO and the Executive Director(s) are known as the "Executive" Directors on the Board. The views of Management can be represented at meetings of the Board by the presence of Senior Management (Key Officers) when required.

3.1.5 On any matter discussed at a Board meeting, if any Director holds views contrary to those of any of the other Directors, the Board minutes shall be clearly reflected.

3.2 Nomination and Appointments

3.2.1 The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nominating Committee.

3.2.2 The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.

3.2.3 Every newly appointed Director receives a formal letter, setting out his general duties and obligations as Director pursuant to the relevant legislations and regulations. The new Director will also receive an induction pack containing information and documents relating to the role and responsibilities of a Director, the Group's principal businesses, the Company's Board processes and corporate governance practices, relevant company policies and procedures as well as a board tentative meeting calendar for the year with a brief of the routine agenda for each meeting.

3.2.4 Upon the appointment of a new Director, the Company Secretary advises the Director of his/her principal duties and responsibilities and explains the restrictions to which he or she is subject to in relation to price-sensitive information and dealings in the Company's securities. Thereafter, all Directors are provided with appropriate briefings on the Company's affairs and latest Corporate Governance practices materials.

3.2.5 The Company shall have educational training programmes to update the Board in relation to new developments pertaining to the laws and regulations and changing commercial risks which may affect the Board and/or the Company.

3.2.6 The directorships held by any Board member at any one time shall not exceed five (5) in listed companies or such other numbers prescribed by the relevant regulatory bodies.

3.3 Re-election and Re-appointment

In accordance with the Company's Constitution, all Directors who are appointed by the Board are subject to election by shareholders at the first opportunity after their appointment. The Constitution also provide that at least two (2) Directors or one-third (1/3) of the Board members are to retire once in every 3 (three) years but he/she shall be eligible for re-election.

3.4 Independence

3.4.1 An Independent Non-Executive Director is to be independent of management and free of any significant business or other relationships that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement, and who otherwise meet the criteria for independence.

3.4.2 Independent Directors are to provide independent judgement, experience and objectivity without being subordinated to operational considerations.

3.4.3 Independent Directors are to help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subject to objective and impartial consideration by the Board.

3.4.4 The views of the Independent Directors should carry significant weight in the Board's decision-making process.

3.4.5 The Board shall undertake to assess the independence of the Independent Directors on an annual basis upon readmission or when any new interest or relationship develops.

3.5 Tenure of Independent Director

The tenure of an Independent Non-Executive Director should not exceed a cumulative term limit of twelve (12) years. If the board intends to retain an Independent Director beyond nine years, the Board shall, upon the recommendation from the NC, redesignate said Director to a Non-Independent Director and seek annual shareholders' approval in accordance with CG Code.

3.6 Time commitment for accepting new directorships

Directors are required 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. Any Director shall notify the Chairman before accepting any new directorship and the notification shall include the indication of time that will be spent on the new appointment.

4.0 PERFORMANCE

4.1 Directors' Assessment/ Board Evaluation

The Board understands the importance of assessing the effectiveness of individual Directors, the Board as a whole and its committees. The Board shall review and evaluate its own performance and the performance of its Committees on an annual basis.

4.2 Directors' Training and Development

In addition to the mandatory programmes as required by the Bursa Malaysia Securities Berhad ("Bursa Securities") newly appointed Director, Board members are encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Group's operations and business.

The Board through the NC will assess the training needs of the Directors and ensure Directors have access to continuing education programme. The Board shall disclose in its Annual Report the education programme or trainings attended by the Directors.

5.0 MEETINGS

5.1 Board Meetings

5.1.1 Meetings of the Board shall be held at least five (5) times per year to ensure that all Directors are kept informed on a timely basis of all material quality information affecting the Company and, in a form, and manner appropriate for them to discharge their duties effectively, or as frequently as required.

5.1.2 Management is responsible for providing the Board with the required information in an appropriate and timely manner. The Chairman, assisted by the Company Secretary, assesses the type of information required to be provided to the Board. If the information provided by the Management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.

5.1.3 A full agenda and comprehensive Board papers are circulated to all Directors at least five (7) days in advance of each Board meeting.

5.1.4 The Board papers include amongst others, the following:-

- a) Group Financial Results Review and Quarterly financial report;
- b) Minutes of meetings of all Committees of the Board;
- c) Reports on Related Party Transactions and Recurrent Related Party Transactions, if any;
- d) List of Directors' Circular Resolutions duly signed;
- e) Summary of dealings by Directors;
- f) Report on substantial shareholders;
- g) Report on EFB Corp Share prices movement;
- h) Group budgeting;
- i) Bank loans & Facilities available and
- j) Risk /Sustainability review Reports.

5.1.5 Full Board minutes of each Board /Committee meeting are kept by the Company Secretary and are available for inspection by any Director/shareholder during office hours.

5.2 Circulating Resolutions

5.2.1 Decisions or resolutions of the Board of Directors are normally reached at a meeting. However, EFB's Constitution also provide for the passing of resolutions without having to hold a meeting. Urgent matters that cannot wait until the next Board meeting can be dealt with by a circulating resolution. Circulating resolutions should be approved by the Chairman or Executive Directors before being circulated.

5.2.2 Where a decision is to be passed by circular resolution, the following will observe:-

- a) The subject matter in the circular resolution is not contentious in nature and material proposal will be deliberated in advance at Board meeting before any circular being subsequently circulated;
- b) All circular resolutions should be dated to ensure a proper record of all resolutions which have been circulated;
- c) Relevant information and documentation (i.e., contract, declaration of interest by director) pertaining to the resolution to be passed should be attached to the circular resolution which is circulated to the Directors, so as to enable the Directors to make an informed decision;
- d) Circular resolutions, which do not require the signature of all Directors, shall still be circulated to the entire Board. This is to ensure that the Board as a whole is aware of decisions that are being made; and
- e) At Board meetings, circular resolutions, which have been passed since the last Board meeting, should be circulated together with Board papers for notation of the Board.

5.3 Annual General Meetings ("AGM")

5.3.1 The Board regards the AGM as an important event in its corporate calendar of which all Directors and key senior executives must attend.

5.3.2 The Board/Company must ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll.

5.3.3 The Company regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.

5.3.4 The Chairman must encourage active participation by the shareholders during each AGM.

5.3.5 The Chairman and, where appropriate, the GCEO/GCOO/GCFO/GED shall respond to shareholders' queries during the meeting. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the AGM.

6.0 REMUNERATION POLICIES

6.1 The fees and benefits payable to the Directors shall be determined by an ordinary resolution of the Company in general meeting.

6.2 The Directors shall be paid 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 board meetings and AGM of the Company.

6.3 The RC shall be responsible for reviewing the remuneration package and making recommendations on the same to the Board for approval. In its review, the RC shall consider various factors, among others, including the compensation levels for comparable positions among other similar public listed companies, Director's fiduciary duties, time commitments expected of them and the Group's performance.

6.4 The review of Directors' remuneration will be carried out by RC on an annual basis for the approval of the Board prior to recommending the Directors' fees for shareholders' approval at the annual general meeting of EFB.

6.5 No Director other than the GCEO, GCOO and Executive Directors shall have a service contract with the Company.

7.0 ACCESS TO INFORMATION AND INDEPENDENT ADVICE

7.1 Directors may access to such information and seek such independent advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgment in decision making.

7.2 Directors will be entitled to:-

- a) access to members of the senior management via the GCEO/GCOO/GED at any time to request relevant and additional information or seek explanations;
- b) have access to internal and external auditors, without management's present to seek explanations or additional information; and
- c) seek independent professional advice with the Chairman's prior consent, which will not be unreasonably withheld or delayed, and which will be at the Company's expense.

7.3 The Board shall establish procedures whereby the Directors, collectively or individually, may seek independent professional advice in furtherance of their duties at the Company's expense.

8.0 FINANCIAL REPORTING

8.1 Transparency

8.1.1 The Company shall present a clear and balanced assessment of the Company's financial position and future prospects that extends to the interim and price-sensitive information and other relevant reports submitted to regulators.

8.1.2 The Directors shall ensure that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the Malaysian Financial Reporting Standards, Financial Reporting Standards and provisions of the Companies Act 2016.

8.1.3 The Company's practice is to announce to Bursa Securities its quarterly financial results as required within two (2) months after the end of each quarterly financial period.

8.1.4 The Auditors Report shall contain a statement from the Auditors explaining their responsibility in forming an independent opinion, based on their audit, of the financial statements.

8.2 Company Auditors

8.2.1 The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company Auditors through its Audit and Risk Management Committee.

8.2.2 The Audit and Risk Management Committee also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company Auditors. The Company shall ensure that the Company Auditors do not supply a substantial volume of non-audit services to the Company.

8.2.3 Appointment of the Company Auditors is subject to approval of shareholders at General Meetings. The Company Auditors shall retire during the AGM every year and be re-appointed by shareholders for the ensuing year.

9.0 STAKEHOLDER COMMUNICATIONS

9.1 Investor Relations

9.1.1 The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.

9.1.2 The Board shall ensure timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.

9.1.3 The Company meets financial analysts from time to time as a means of effective communication that enables the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.

9.1.4 The Company leverage on information technology for effective dissemination of information. The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated including presentation slides which are communicated to shareholders and Investors.

9.2 Other Stakeholders

In the course of pursuing the vision and mission of the Group, the Board recognises that no company can exist by maximising shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration through the Group's Sustainability effort on Stakeholder's Communication.

9.3 Employees

9.3.1 The Board acknowledges that employees are invaluable assets of the Group and play a vital role in achieving the vision and mission of the Group.

9.3.2 The Group adopts documented policies and procedures with respect to the following:-

a) Occupational safety and health with the objective of providing a safe and healthy working environment for all employees; and

b) Industrial relations /International Labour Organisation laws with the objective of managing employees' welfare and well-being in the workplace.

9.4 Environment

9.4.1 The Board acknowledges the need to safeguard and minimise the impact to the environment in the course of achieving the Group's vision and mission.

9.4.2 The Group establishes documented policies and procedures as part of its commitment to protect the environment and contribute towards sustainable development.

9.4.3 The Group supports initiatives on environmental issues.

9.5 Sustainability and Social Responsibility

The Group acknowledges that in pursuit of increasing productivity for profitability of the Group there are inevitably impacts on the environment and the Company will take necessary steps to minimise the potentially harmful effects of such activities wherever practicable. The Group is committed to play its part in managing the way business is conducted by ensuring environmental, economic and social considerations is given.

10.0 COMPANY SECRETARY

10.1 The Board shall appoint the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he or she has been appointed.

10.2 The Company Secretary is accountable to the Board through the Chairman of the Board and Committees on all governance matters.

10.3 The Company Secretary is a central source of information and give advice to the Board and its Committees on issues relating to compliance with company laws, rules, procedures and regulations relating thereto affecting the Group.

10.4 The Company Secretary shall advise Directors of their obligations to adhere to matters relating to, among others:-

- a) disclosure of interest in securities;
- b) disclosure of any conflict of interest in a transaction involving the Company;
- c) prohibition on dealing in securities; and
- d) restriction on disclosure of price-sensitive information.

10.5 The Company Secretary must keep abreast of, and inform and advise, the Board of current governance practices, also to monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectation;

10.6 The Board members shall have unlimited access to the professional advice and services of the Company Secretary as and when needed.

11.0 CONFLICTS OF INTERESTS

11.1 Director must bring an enquiring, open and independent mind to Board meetings, listen to the debate on each issue raised, consider the arguments for and against each motion and reach a decision that he or she believes, to be in the best interests of the Company as a whole irrespective of any actual or possible conflict of interest.

11.2 Directors must:-

a) disclose any obligation, commitment, relationship or interest that could conflict or may be perceived to have conflict with his or her duties by making a declaration using the Conflict-of-Interest Disclosure document through the following link:

<https://docs.google.com/forms/d/e/1FAIpQLSeE5xI6BfNow6Tlk9h9vKCDkiQA8Zc1Q200jNi34JNPiDM9bQ/viewform>

b) Alternatively, Director can disclose personally to the Board or through the Company Secretary of any actual or potential conflicts of interest which may exist or be thought to exist as soon as they become aware of the issue;

c) take any necessary and reasonable measures to try to resolve the conflict; and

d) comply with the Companies Act 2016's provisions on disclosing interests and restrictions on voting when a conflict of interest exists.

11.3 If a conflict or potential conflict situation exists, the interested Director(s) shall be absent from the meeting whilst the Board discusses the matter and not vote on the matter, unless the other Directors who do not have a material personal interest in the matter have passed a resolution that states that those Directors are satisfied that the interest should not disqualify the Director from being present.

11.4 Directors are expected to advise the Company Secretary of any proposed Board or executive appointment to other companies within the required time frame for announcement or lodgement to be carried out.

12.0 DEALINGS IN SECURITIES

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

a) acquiring or disposing of securities or having any interest in securities; and

b) subscribing for or underwriting securities;

12.2 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

d) 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.

12.3 A Directors must not deal in the securities of the Company ("EFB") as long as he/she is in possession of price-sensitive information relating to the 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 Capital Market Services Act, 2007.

13.0 CODE OF CONDUCT AND ETHICS

13.1 The Directors are expected to conduct themselves with the highest ethical standards. All Directors and employees are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Company.

13.2 EFB has in place Code of Conduct and Ethics for Directors which is formulated to enhance the standard of corporate governance and behaviour through:-

- a) Established standards of ethical conduct based on acceptable beliefs and values;
- b) Upholding the spirit of social responsibility and accountability in line with the legislations, regulations and guidelines governing the Company/Group;
- c) Documents 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; and
- d) The Company/Group communicates the Code of Conduct and Ethics to all Directors and Code of Conduct and Business Ethics to all level of employees upon their appointment/employment.

14.0 POLICY ON WHISTLEBLOWING

14.1 The Group is committed to achieving and maintaining the highest standard of work ethics in the conduct of business in line with EFB's Code of Conduct and Business Ethics and good corporate governance practices.

14.2 The Group encourages employees and third-parties to raise genuine concerns about possible improprieties in matters of financial reporting, compliance, suspected violations of EFB's Code of Conduct and Business Ethics and to disclose of any improper conduct or other malpractices within the Group of Companies by whistleblowing in an appropriate way as channel provided on the Company's website www.evergreengroup.com.my.

14.3 This policy provides an avenue for all employees, agents, vendors, contractors, suppliers, consultants and customers of the Group and members of public to raise concerns about any improper conduct within the Group without fear of retaliation and offer of protection for such persons (including the employees of the Group) who reports and make known such doings or practices.

15.0 BOARD DISPUTE RESOLUTION

The Board shall commit to reach a prompt and fair resolution of any disputes, conflicts, or disagreements that may arise from time to time that may threaten the functioning of the board as a whole. Disputes such as: -

- a) Between Directors;
- b) By a Director regarding a Board policy, process or procedure; and
- c) By a director regarding a resolution of the Board.

15.1 Resolution Policy

The Board of Directors shall resolve any issues or concerns that they may have at the earliest opportunity. It is important that as issues do arise, they are dealt with in a fair and timely manner. While some conflicts will be resolved by an informal discussion between the parties, others will need a process for successful resolution. On Dispute resolution principles, the board has endorsed the following principles for directors to follow:

- a) Respect for another's point of view;
- b) Commitment to resolving the issue;
- c) Willingness to compromise;
- d) Confidentiality;
- e) Impartiality;
- f) Respect;
- g) Prompt action; and
- h) Freedom from repercussions.

15.2 Procedure

15.2.1. The dispute must be set out in writing and sent to the Chairman of the Board. The Chairman shall acknowledge receipt of this document within 7 (seven) working days.

15.2.2 The Chairman shall use his or her discretion to bring the issue to the next board meeting or call an extraordinary Board meeting.

15.2.3 When dispute is raised at the Board meeting, all person(s) involved in the dispute will be given the right to speak.

15.2.4 The matter should be discussed with all Directors present, unless they have advised the Chairman, preferably in writing, that they are aware there is a dispute resolution meeting being held and they are unable to attend.

15.2.5 The Chairman shall then call for a motion from the Board, e.g., to appoint an independent assessor, seek mediation, call a special meeting, or to dismiss the complaint. All Directors present at the meeting will have to vote on the motion.

15.2.6 A Board decision may be reviewed in situations where: -

- a) new information has emerged that was not available when the original decision was made;
- b) The Board has become aware of an error in previous information that was used to make the decision; and
- c) A Director did not feel able to present his or her case at the time the Board made its decision.

15.3 Mediation Policy

15.3.1 All decisions by the Board shall be decided by a majority votes of the directors as per its Constitution and such decisions shall be binding all the members of the board and the company.

15.3.2 Should any board members has a serious disagreement over any matter decided by the Board, the relevant member can make representations to the Chairman to request a particular matter to be reconsidered by the Board.

15.3.3 If the Chairman agrees to the representations by such board member, a Board meeting shall be convened to consider the matter again and the majority decision by the board at such reconvened meeting shall be binding and final.

15.4 Responsibilities

It is the responsibility of the Board Chairman to ensure that: -

- a) Board members are aware of this policy; and
- b) Disputes are handled respectfully, confidentially and in accordance with natural justice.

16.0 APPLICATION

16.1 The principles set out in this “Board Charter” is applied in practice having regards to their spirit and general principles; and

16.2 The Board will review and make the necessary amendments to ensure they remain consistent with the Board’s objectives, current law and practices.

This Board Charter and any updates to the principles and practices of this Charter is made available on the Company's website.

Policy adopted in: Sept 2019 - Effective: October 2019
Reviewed in: October 2021 - Effective: November 2021
Reviewed in: September 2022 - Effective: October 2022

*****end*****