



(Company No. 217120- W)

(Incorporated in Malaysia under the Companies Act, 2016)

BOARD CHARTER

(Reviewed and Approved by the Board in October 2019)

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1. INTRODUCTION

The Board of Directors (the “Board”) of Evergreen Fibreboard Berhad (“EFB” or the “Company”) obtains authority from the Company’s shareholders. The Board is ultimately responsible to establish Strategies and Policies in order to drive the performance of the Group and build a long-term shareholder’s value by fulfilling their duties with integrity in a lawful and professional manner at all times.

In line with the Malaysia Code on Corporate Governance, the Board has articulated and formalized this Board Charter (the “Charter”) as part of the Company’s corporate governance framework as follows: -

- a. The Board shall review its board charter periodically or as changes arise (e.g. restructuring and strategic initiatives) to ensure that the allocation of responsibilities reflects the dynamic nature of the relationship necessary for the company to adapt to changing circumstances;
- b. The Charter designates the various roles, functions, obligations, rights, responsibilities, duties, power and authority of EFB Board (“the Board”) and the Board Committees including policies and practices of the Board with the objective of streamlining and enhancing corporate governance practices of Integrity, Transparency and Accountability in the group;
- c. The Charter has taken into consideration the Principles and Recommendations (including Commentaries) of the Malaysian Code on Corporate Governance (“MCCG”) and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”), the Companies Act 2016 (“the Act”) and the Company’s Constitution (including any amendments) together with the best practices in the region;
- d. Whilst the Charter provides a structured guidance, it should not be construed as an exhaustive reference document by Directors of the Company; and
- e. Enforcement of this Board Charter is the Responsibility of the Board as a whole. This charter was first adopted by the Board in June 2013 and was last reviewed by the board and updated on 25 May 2018.

2. CORE DUTIES OF DIRECTORS

The business and affairs of a company is under the direction of the board of directors where the board provides strategic guidance and effective oversight of management. Clear roles, responsibilities and functions of Board / Committee Members and Executive Directors facilitates the board’s and management’s accountability to the company and shareholders that ensures a balance of authority so that no single individual has unfettered powers. Directors are hereby reminded of their legal obligations and their core duties.

Director’s Core Duties

Executive and Non – Executive Directors have the legal obligation to exercise independent, unfettered judgment, in good faith with due care and skill at all times. Directors must be aware of the legal parameters that define his / her duties in law and even though Directors are allowed to make business judgments and business decisions in the spirit of enterprise, they must excise these two major aspects which are their Fiduciary Duty and Duty to Act in Good faith.

Director's Fiduciary duties & Duty to Act in Good Faith

Director has: -

- i) The duty to act in good faith;*
- ii) The duty to exercise power for a proper purpose;*
- iii) The duty to exercise discretion properly;*
- iv) The duty to avoid conflict and self-dealing;*
- v) The duty to ensure integrity of financial information; and*
- vi) To act honestly, use reasonable care, skill and diligence at all times with what they believe to be the company's interests.*

Director's Duty to Exercise Power for a Proper Purpose

Directors must at all times exercise his / her powers for a proper purpose, in the best interests of the Company (means the shareholders' interests).

Director's Duty to Exercise Discretion Properly

Directors in exercising the powers vested in him/her under the Company's Constitution must exercise them properly and not fetter his/her discretion by merely doing what is wanted by another person.

Director's Duty to Avoid Conflict and Self-Dealing

Directors must avoid improper use of a company's information, property, position, corporate opportunity or competing with the company or an officer of a company unless with the consent or ratification of a general meeting. Improper use of information refers to conduct which is inconsistent with the proper discharge of the duties, obligations and responsibilities of a director.

Examples include insider trading and securities market misconduct.

Duty of Disclosure

Directors are obliged to disclose to the Board of any interest to a contract or proposed contract which is considered as related party (based on Bursa Malaysia Securities Listing definitions and the Company Act 2016) with the company.

Duty to Refrain from Participation and Voting when Director has a Direct or Indirect Interest

Director(s) who has directly or indirectly interest in a contract or proposed contract is not permitted to participate in any discussion or vote at the board meeting on the contract or proposed contract. The Interested Director shall completely abstain from participating in the discussion or voting on the contract or proposed contract.

The Duty to Use Reasonable Care, Skill and Diligence

Directors are required to exercise 'reasonable care, skill and diligence' according to their knowledge, skill and experience that are reasonably expected of a director. All Directors are required to comply to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as a failure to comply with the Listing Requirements will amount to a breach in respect of which actions may be taken and/or penalties may be imposed not only against the Company but also the directors, officers and advisers of the company pursuant to Paragraph 16.19 of the Listing Requirements if such directors, officers and advisers are found to be culpable on the non-compliance matter.

The Duty to Ensure Integrity of Financial Information

Director has the legal responsibility to ensure the Company's accounting and other records that can sufficiently explain the transactions and financial position of the company are prepared and ensure those records are kept in a manner to enable them to be conveniently and properly audited and is able to issue accurate financial statements within the prescribed timeframes.

3. TERMS OF REFERENCE OF THE BOARD

Composition of the Board

1. In line with the Malaysian Code on Corporate Governance ("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 female composition in the overall Board shall be a minimum of 30%.

Any vacancy in the board that results in a non-compliance with the required composition, the vacancy shall be filled within six (6) months from the vacancy occurring.

2. The Board shall examine and determined the number of directors required on board in order to effectively discharge their roles and responsibilities. The criteria use in determining the number of directors needed shall be on: -

- a. the needs of the company / group in terms of its size, scope and geography;*
- b. the balance needed between the executive and non-executive directors and the independent element of Non-Executive Directors;*
- c. the requisite / industry specific skills;*
- d. the sufficient diversity to avert "group-thinking"; and*
- e. the ability to establish board committees and the quorum requirements for all meetings.*

3. In establishing the structure of the board, the following circumstances has been taken into consideration by the board as a whole on:

- a. does any director(s) represent the interests of certain shareholders or groups of shareholders (such as government or any state agencies, pension funds, employees or financiers);*
- b. does any director(s) possesses the technical know-how or experience in the same industry; and*
- c. does the board reflect a diversity in terms of age, cultural grouping, educational background, professional experience, expertise and gender.*

Attendance

All Board members are required to attend all Board meetings. Executive Directors / Key Officers / Senior Management may be invited to attend meetings for particular items within their responsibility. The Board may also invite external parties such as the auditors, solicitors and consultants as and when the need arises.

Frequency of Meetings

The Board shall meet at least 5 (five) times a year and additional when deemed necessary or called by any Director(s).

Conduct of Meeting

1. The Chairman of the Board shall determine the degree of formality required at each meeting while maintaining the decorum of such meetings. In the absence of the Chairman of the Board, a Director from amongst the Board members shall be appointed to chair the meeting. The Chairman of the Board shall ensure that: -

- a. all members are present or a quorum of Directors is reached;*
- b. all decisions are well concluded and recorded; and*
- c. all the interested Directors abstain from Board deliberation and making decisions on matters where there is a known conflict of interest with the particular Director.*

2. Decision to questions arising at the board meeting shall be decided by a majority of votes. In the case of an equality of votes the Chairman shall have a second or casting vote.

3. Resolutions of the Directors at a meeting or adjourned meeting of the Directors shall be adopted by all Directors present.

4. In the event matters requiring Board's decision arise between meetings, such matter(s) shall be resolved and approved through circular resolution subsequent to discussions being held amongst the Board members, either via teleconference, videoconference, email, etc.

5. In order for the Board as a whole to be apprised and obtain their view point on matters that requires Board's decision between meetings, before arriving at a decision, Directors may participate in a meeting of the Directors by means of telephone and video conference or by other means of communication. The physical presence of Director(s) is not compulsory and participation in the meeting in the aforesaid manner shall be deemed to constitute presence in person at such meeting. The Directors participating in any such meeting shall be counted in the quorum for such meeting. All resolutions agreed upon by the Directors in such a meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened. All information and documents must be made equally available to all participants prior to, at, or during the meeting.

Board Minutes

1. The Company Secretary is responsible for the integrity of the Board documents, including the Minutes of meetings. Minutes are prepared within 14 (fourteen) days following a Board meeting and are circulated in draft form. The draft minutes will be re-circulated with the Board papers in readiness for signing at the following meeting. The practice is for minutes to record processes and decisions rather than a historical narrative of the discussion or concluding remarks of final decisions made. If one or more Directors request their opinion to be noted, the Company Secretary shall comply with the request.

2. The Board shall ensure that the Minutes are a concise summary of the matters discussed at the Board meeting and contain a brief reference to relevant Board papers tabled plus any official resolutions adopted by Directors; and all decisions shall be recorded in the Minutes.

Agenda

The Board Chairman together with the Company Secretary shall assess the type of information needed to be supplied to the Board and the contents of the agenda. The agenda shall include, amongst others, matters specifically reserved for the Board's decision.

Board Meeting Papers

Except in the case of emergencies and to allow sufficient time for Directors to consider the relevant information, Board papers and agenda items are to be circulated at least seven (7) days, or a shorter period where unavoidable, prior to the meeting. Notice of every Board meeting will be provided in writing sent through the post, facsimile, electronic mail or by any means of telecommunication in permanent written form.

Information to the Board

The Board shall be provided with reports on the performance and activities of the group including explanations by the CEO / COO / EDs / GFC/GCC at its scheduled Meetings on the following matters:

- a. On Company /Group's strategic plans and annual budget (including capital expenditure budget);*
- b. On any Investment or Divestment capital projects which represents a significant diversification from the Company's existing business activities;*
- c. On any major changes in the activities of the Company / Subsidiary;*
- d. On treasury policies and bank mandates;*
- e. On any changes to the Limits of Authority to Executive Directors;*
- f. On Review of key business risks faced by the Group;*
- g. On Financial reporting (Quarterly & Yearly);*
- h. On Statement of Corporate Governance, Statement on Risk Management & Internal Control;*
- i. On Recommendation of Interim / Final Dividends;*
- j. On Adoption of Accounting Policies (Malaysian Financial Reporting Standards);*
- k. On any Granting of power of attorney by EFB or its Subsidiaries;*
- l. On Corporate Guarantee and Indemnity by the Company (to subsidiaries and any third parties);*
- m. On Changes in Company's Constitution*
- n. On Change in financial year end (Company or its Subsidiaries)*
- o. On Purchase of own shares by Company;*
- p. On Related party transactions;*
- q. On Changes in substantial shareholders of the Company, its subsidiaries and its associate Companies; and*
- r. On Dividend and dividend policy.*

Responsibility of the Board

The responsibilities of the Board include oversight of Executive Directors, Key Officers / Management by promoting ethical conduct in the company's business dealings and establish clear functions reserved for the board and those delegated to Executive directors / management. The board in meeting its goals and objectives of the company/group, shall be guided by the following principles and undertake to:

- a. review and approve the Company's Vision, Core Values, set the Strategic Direction of the company to be in line with goals and objections of its operations by taking into consideration the elements of strategic risk, linking business strategy to the critical risks that the company faces including sovereign risk, risks related to reputation, ethics, e-commerce, safety, health and environment;
- b. promotes good corporate governance culture within the company which reinforces ethical, prudent and professional behavior including establishing appropriate ethical standard on the code of conduct for appropriate behaviors, and ensure adherence at all times;

c. showcase critical thinking in setting goals and strategies during board meetings that lead to insights on strategy, performance, investment decisions, hiring or removal of key personnel and risk assessment;

d. fosters a healthy corporate governance culture which is founded on the principles of transparency, objectivity, integrity and set the “tone from the top” by formalizing and committing to ethical values;

e. review, challenge and decide on management’s proposals for the company, and monitor its implementation by management;

f. ensure that the goals and targets set for management are met and in line with the company’s long-term objectives;

g. ensure that the strategic plan of the company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;

h. supervises and assess management performance to determine whether the business is being properly managed and ensure that there are measures in place against which management’s performance can be assessed by putting in place key performance indicators (“KPIs”) for the executive management to ensure the management’s strategy and performance would align with the company’s strategic objective;

i. ensures there is a prudent framework for effective internal controls and risk management system that is adequate covering regulatory compliance;

j. understands the principal risks of the company’s business and recognize that business decisions involve the taking of appropriate risks and be cognizant of the significant financial and non-financial elements that could result in exposures;

k. set the risk appetite within the board expectation of management to operate and ensure that there is an appropriate risk management framework to identify, analyses, evaluate, monitor and respond to risks factors;

l. ensures senior management succession planning plans, including appointing, training, fixing the compensation of and, where appropriate, replacing senior management, oversee the human capital development process, monitor and compensate against pre-determined evaluation criteria;

m. ensure that key officers / senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Key Officers / board members;

Succession planning plans shall include:

- *developing a recruitment and communication strategy;*
- *identifying expected critical position vacancies;*
- *determining critical positions;*
- *identifying current and future competencies;*
- *identifying gaps in current employees’ competency levels;*
- *identifying high caliber internal candidates;*
- *developing individual development plans for employees;*
- *developing and implementing coaching and mentoring programs; and*
- *assisting with leadership transition and development, i.e. the right leader at the right time.*

n. ensures the integrity of the company's financial and non-financial reporting by ensuring that there is a sound framework on corporate reporting, including financial and non-financial reporting with due cognizance given to the disclosures on corporate governance, sustainability and other non-financial aspects;

o. visit operational sites and key subsidiaries to deepen the board's understanding of the company;

p. ensures that given information on financial and non-financial matters in relation to the company's performance is benchmark against competitors. Non-financial information is:

- *market positioning and performance of key brands;*
- *customer satisfaction index;*
- *employee turnover rate and satisfaction;*
- *product development and research; and*
- *social and environmental performance.*

q. ensure that the company has in place a policy to enable effective communication with shareholders / stakeholders that includes how feedback received from its stakeholders is considered by the company when making business decisions.

Role of the Board

1. In Line with Practice 1.0 of the MCCG, the Board shall be the governing body of Company and is responsible for leading the company and ensuring that the interests of shareholders and stakeholders alike are protected whilst enabling the company to achieve long term sustainability.

2. To ensure that the company is well governed and managed, the board shall consist of capable, dedicated, ethical and dynamic directors. Directors appointed to the board shall play an integral role by undertaking to oversee and manage the strategies and matters of the board and are collectively responsible for meeting the objectives and goals of the company.

3. All Directors shall objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the company and is required to keep abreast of his responsibilities as a director and of the conduct, business activities and development of the company.

Authority of the Board

The Board in exercising their duties as a board / director shall rely on information, professional or expert advice, opinions, reports or statements including financial statements and other financial data, prepared, presented or made by:

- a. any officer of the company whom the director believes on reasonable grounds to be reliable and competent on the matters concerned;*
- b. as to matters involving skills or expertise, any other person retained by the company in relation to matters that the director believes on reasonable grounds to be within the person's professional or expert competence;*
- c. another director in relation to matters within the director's authority; or*

d. any committee to the board of directors on which the director did not serve in relation to matters within the committee's authority.

Rights of a Director

1. Under Section 215(1) of the Companies Act 2016, the Company shall ensure that every director in exercising his/her duties as a director may rely on information, professional or expert advice, opinions, reports or statements including financial statements and other financial data, prepared, presented or made by: -

a. any officer of the company whom the director believes on reasonable grounds to be reliable and competent on the matters concerned;

b. as to matters involving skills or expertise, any other person retained by the company in relation to matters that the director believes on reasonable grounds to be within the person's professional or expert competence;

c. another director in relation to matters within the director's authority; or

d. any committee to the board of directors on which the director did not serve in relation to matters within the committee's authority.

2. Under Paragraph 15.04 of Bursa Securities Listing Requirements, unless otherwise provided by or subject to any applicable laws or these Requirements, the Company shall ensure that every of its Director has the right to the resources, whenever necessary and reasonable for the performance of his/her duties, at the cost of the Company but in accordance with the procedure determined by the board of directors, including but not limited to: -

a. obtaining full and unrestricted access to any information pertaining to the listed issuer;

b. obtaining full and unrestricted access to the advice and services of the company secretary; and

c. obtaining independent professional or other advice.

Role of the Independent Directors

1. Pursuant to the MMLR, an Independent Director is a director who is independent of Management and free from any business or other relationship which could interfere with the exercise of independent judgment or the ability to act in the best interests of a listed company.

2. The role of the Independent Directors in a Company is to constructively challenge and help develop proposals on strategy. Other responsibilities include: -

a. Scrutinizing the performance of Management in meeting agreed goals and objectives, and monitor the reporting of performance; and

b. Satisfying themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.

Independence of Independent Directors

1. The Board shall ensure that yearly assessment / evaluation is carried out on all its independent directors to confirm their independency by the Nomination Committee. The results of this

evaluation are to be made known by the Chairman of the Nomination Committee to the Board and results of assessment / evaluation shall also be stated in the Nomination Committee's Report, including the notice convening the general meeting for any re-appointment / re-election section in the Annual Report.

2. The roles and powers of independent and executive directors, key Officers / management and the board have been clearly separated to ensure independence of Independent Directors.

3. Criteria listed below shall be used when considering the independence of independent directors as prescribed in Paragraph 1.01 of the Listing Requirements. Independent Director is one who: -

a. is not an executive director of the Company,

b. has not been within the last 2 years and is not an officer (except as a nonexecutive director) of the Company. (For this purpose, "officer" has the meaning given in section 2 of the Companies Act 2016.);

c. is not a major shareholder the Company;

d. is not a family member of any executive director, officer or major shareholder of the Company;

e. is not acting as a nominee or representative of any executive director or major shareholder of the Company;

f. has not been engaged as an adviser by the Company under such circumstances as prescribed by the Exchange or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the Company under such circumstances as prescribed by the Exchange; or

g. has not engaged in any transaction with the Company under such circumstances as prescribed by the Exchange or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company (listed issuer) which has engaged in any transaction with the Company under such circumstances as prescribed by the Exchange.

4. Independent directors shall advise the board on special circumstances which may affect their independence in any manner.

Diversity on Board and Senior Management (Key Officers)

1. In line with the MCCG Intended outcome 4.0 the Board is committed and recognizes the need of gender diversity in the board and senior management as this will enable board decisions be made objectively of diverse perspectives and insights for the best interest of the Company / Group.

2. The Board shall establish a Diversity Policy Framework in line with MCCG Practice 4.4 which shall require the appointments of board and senior management be based on objective criteria, of merit and with due regards for diversity, in mix of skills, experience, age, cultural background and gender.

3. In fostering diversity, the Board has established a policy that is set to meet the authorities' requirements and assess annually the progress in achieving them. The Board shall ensure that the policy:

- a. Communicates the definition of diversity and recognizes that diversity includes numerous dimensions including skills, experience, age, ethnicity, and gender;*
- b. Articulate the benefits of diversity and the importance of being able to attract and retain board members and senior management personnel from a wide pool of talent;*
- c. Express the company's commitment to diversity at the leadership level and employee level;*
- d. Ensures the recruitment and selection practices at all levels (from the board downwards) are appropriately structured so that a diverse range of candidates are considered and that there are no conscious or unconscious biases that might discriminate against certain candidates;*
- e. Identifies and implement programs that will assist in the development of a more diverse pool of skilled and experienced employees that, over time, will prepare them for senior management and board positions; and*
- f. Introduces key performance indicators ("KPIs") for senior management personnel to measure the achievement of diversity objectives and link part of their remuneration to the achievement of those objectives.*

4. The Nomination Committee shall source and recommend appointments to the Board based on the objectivity of the diversity policy.

5. Board shall ensure that the policy on diversity is being disclosed in the company's annual report as required under the MCGG.

Tenure of Independent Directors

1. On retaining an independent director beyond the cumulative term of nine years, the Board shall ensure to obtain shareholder's approval commencing the tenth year onwards and to justify the review on their independence being carried out by determining any impairment to the independence of said director(s).

2. On retaining an Independent Director beyond the 12th year, the Board shall ensure the use of the two-tier voting process to seek shareholders' approval in line with Practice 4.3. of the MCGG.

Policy on Time Commitment

In line with the Malaysian Code on Corporate Governance, the Board has set out expectations on time commitment for its members.

Time Commitment

1. The Board of Directors is responsible for managing the business and affairs of the Group. In order to ensure the Board's ability to have an effective oversight and carry out its responsibilities, all members of the Board shall be committed and devoted to discharge his /her responsibilities. Every effort shall be made by each Director to meet the following time commitment.

- (a) Attendance of at least 95% of all scheduled Board and Committee Meetings; and*
- (b) Attendance of at least one (1) Continuing Education Program and/or such training programs that may be prescribed by Bursa Malaysia from time to time.*

2. Investment of time to:

- (a) prepare for meetings including reading and understanding the financial statements;*
- (b) Board and Committee papers, reports and analysis, reviewing agendas etc.;*
- (c) participate actively in all Board and Committee deliberations, to actively question, analyses and challenge Management's views and promote high standards of governance;*
- (d) support the Board, Committee and Management's programs in relation to the CVB's business and operations where appropriate including site visits, management briefings and major Company events etc.;*
- (e) share their opinions and expertise in their respective field/area and utilize their network to promote and advance the CVB's vision and mission; and*
- (f) fulfill their statutory and fiduciary obligations.*

3. When a Director becomes aware for some personal reasons that he is not able to devote time to attend Board/Committee meetings, the Chairman or Senior Independent Non-Executive Director shall be consulted to determine the best course of action which includes an approved leave of absence by the Board or resignation as a Director.

4. Directors are required to observe the restrictions provided under Paragraph 15.06 of Bursa's Main Market Listing Requirements which restricts Directors of listed issuers from holding more than 5 (five) directorships in listed issuers. Therefore, it is the responsibility of each Director to notify the Board before accepting any other directorships in other listed issuers/subsidiaries of listed issuers. Considerations such as time commitments and conflicts of interest that may arise should be carefully considered and disclosed to the Board Chairman prior to acceptance of any directorship.

Role and Responsibilities of the Board Chairman

1. In Line with Practice 1.2 of MCCG, appointed Chairman of the Board shall be responsible for instilling good corporate governance practices, leadership and ensure the effectiveness of the board. The Chairman shall be appointed by the board and the Chairman's primary role is to preside over board of director's meetings and ensure the smooth functioning of the board in the interest of good corporate governance.

2. The Chairman of the board shall:

- a. Provide leadership for the board so that the board can perform its responsibilities effectively;*
- b. Ensure that the board plays a full and constructive part in the determination of the company's strategies and policies, and that board decisions taken are in the company's best interests and fairly reflect board's consensus; and*
- c. Ensure that procedures are in place to govern the board's operations.*

3. The Chairman of the board shall:

- a. Set the board agenda and ensure that board members receive complete and accurate information in a timely manner;*
- b. Plan the board meeting agenda in advance alongside the company secretary and the Chief Executive Officer/President. Other directors and Senior Management / Key Officers may also be consulted;*
- c. Ensure the provision of accurate, timely and clear information to the other directors; and ensures all directors are properly briefed on issues arising at board meetings in a timely manner;*
- d. Lead board meetings and discussions and ensure that adequate time is available for thorough deliberation of key issues;*
- e. Ensure that decisions are taken on a sound and well-informed basis, including by ensuring that all strategic and critical issues are considered by the board;*
- f. Encourage active participation and allows dissenting views to be freely expressed by all members;*
- g. Promote a culture of openness and debate whilst ensuring that no one director dominates the discussion and obtain suggestions and comments from directors including encouraging those who are less vocal to be more proactive in providing views;*
- h. Manage the interface between board and management;*
- i. Act as the main conduit between management and the board;*
- j. Develop a positive relationship with the Chief Executive Officer / President;*
- k. Ensure appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the board as a whole;*
- l. Act as a spokesperson for the board and as the main representative of the company alongside the Chief Executive Officer / President at shareholders' meetings and on other occasions where key or major actions are taken or statements are made in the name of the company;*
- m. Lead the board in establishing and monitoring good corporate governance practices in the company;*
- n. Lead the creation of an effective corporate governance system, including the establishment of board and committee charters, a committee structure and induction as well as ongoing education programs for directors; and*
- o. Oversee and facilitate board, committee and board member evaluation reviews and succession planning alongside the Chairman of the Nomination Committee.*

Attributes Needed in a Board Chairman

1. The Chairman appointed by the Board from the Independent Non-Executive Directors must be able to assume a leadership figure in the Board and represent the same to shareholders of the Company.

The Chairman holds the casting vote on any decision when a decision is evenly decided and The Chairman must be able to play a key role in representing the company to its shareholders during general meetings.

2. The Chairman shall possess the personal qualities of good Leadership Skills and must be able to provide the board with Strategic Insights & Directions couple with a pro-active work ethics with professionalism.

3. Possess relevant industry / specific knowledge & experience with a good business judgment and has the professional expertise by keeping abreast of changes in the business environment complemented with special skills in financial accounting, corporate finance, legal, risk management, internal control and strategic management.

(The above requirements of the Chairman shall be reviewed by the Board / Nomination Committee.)

Role and Responsibilities of the Chief Executive Officer (“CEO”) / President

The CEO / President shall be responsible to spearheads the business of the company / Group. His / Her role shall be to run the business and ensure to implement the policies and strategies adopted by the board including ensuring the execution of matters that are to be delegated to management by the Board.

The CEO / President shall report to the Board:

- a. On the progress of Management’s execution on delegated matters by the board; and*
- b. On the business and operations of the Company / Group, ensuring that it is run efficiently and effectively in accordance with the strategic decisions of the Board.*

Role and Responsibilities of the Executive Directors (“EDs”)

The Executive Directors assist the CEO / President to run the day to day business activities and to implement the policies and strategies adopted by the board. Executive Directors ensure matters delegated by the Board are efficiently executed throughout the Company /Group.

EDs main responsibilities shall be to ensure:

- a. achievement of Company's goals and observance of Management authorities delegated by the Board;*
- b. developing long-term strategic and short-term business plans for the board’s approval which is designed to enable the Company’s growth, profitability and return on capital are achieved;*
- c. to direct and control all aspects of the business operations in a cost-efficient manner;*
- d. overseeing human capital with respect to key positions in the Group hierarchy and ensuring the general well-being of employees, including the determination of remuneration as well as terms and conditions of employment for Senior Management personnel and issues pertaining to discipline of all employees;*
- e. representing the Group's interest with major customers, government agencies, regulatory bodies and industries at large, to ensure general goodwill towards the Group and cooperation in planned development;*

f. that the Group's products and services are of high standards;

g. providing assistance to members of the Board, Audit, Nomination, Remuneration and Risk Management Committees, as required, in discharging their duties; and

h. to act within all specific authorities delegated by the Board at all time.

In discharging the above responsibilities, the CEO and the Eds may appropriately delegate their functions to Management /Key Officers but they shall not abdicate their responsibility. CEO/EDs shall not delegate matters to Management / Key Officers to an extent that would significantly hinder or reduce their ability to discharge their functions.

Role and Responsibility of the Company Secretary

The Board shall ensure that the Company is supported by a suitably qualified and competent company secretary. The company secretary shall play an important role to advise the board on governance matters and together ensure that there is an effective system of corporate governance in place for the company. In compliance to the requirements on the appointment of a company secretary outlined in the Companies Act 2016, the Board shall ensure that the Company engages at least one Company Secretary who shall be:

a. a natural person;

b. eighteen years of age and above; and

c. a citizen or permanent resident of Malaysia, who shall ordinarily reside in Malaysia by having a principal place of residence in Malaysia; and shall be a member of an approved body [in relation to Section 235(2)(a), Malaysian Institute of Chartered Secretaries and Administrators or Malaysian Institute of Accountants or Malaysian Bar or the Malaysian Association of Company Secretaries or Malaysian Institute of Certified Public Accountants or Sabah Law Association or Advocates Association of Sarawak or a person licensed by the Commission under section 20G of the Companies Commission of Malaysia Act 2001 and he/she is not disqualified under Section 238(3) of the Fourth Schedule of the Companies Act 2016

Attributes of the Company Secretary

The Company Secretary shall:

a. Possesses a sound knowledge in company and securities law, finance, governance, company secretaryship and other areas of compliance such as the listing requirements;

b. Diligently undertakes continuous professional development to keep abreast of relevant corporate governance and regulatory requirements;

c. Is respectful, diplomatic, and effective in communicating;

d. Is an active listener;

e. Brings issues to the surface, especially those relating to reputational risk;

f. Describes common concerns and interests;

- g. Generates alternative solutions;*
- h. Respects confidences;*
- i. Demonstrates appreciation for all parties;*
- j. Disagrees constructively; and*
- k. Commercially-minded approaches.*

Role of Company Secretary

1. On Corporate Governance Advisory

- a. Advise the board on its roles and responsibilities;*
- b. Monitor corporate governance developments and assist the board in applying governance practices;*
- c. Advise directors to abstain from decision making in conflict of interest situations;*
- d. Ensure adherence to the board's and board committees' policies and procedures;*
- e. Provide updates and assist the board with interpreting regulatory requirements related to company and securities regulations as well as listing requirements;*
- f. Advise the board on its obligatory requirements to disclose material information to shareholders & financial markets in a timely manner; and*
- g. Notify the chairman of any possible violations of regulatory requirements.*

2. On Information Flow and Meetings

- a. Manage the board and the board committee meeting logistics, attend and record minutes of board and board committee meetings as well as facilitate board communications; and*
- b. Ensure that the decisions of the board and board committees are relayed to management to act upon.*

3. On Stakeholder Communication

- a. Manage processes pertaining to the general meetings; and*
- b. Serve as a focal point for stakeholders' communication and engagement on corporate governance issues.*

Authority of the Company Secretary

Company Secretary(s) shall have direct access to the chairman and other directors to act as a conduit to the board. Company Secretaries are to be Officers in the company with legal responsibilities to assist in any proceedings of the company. The Company Secretary shall be given appropriate standings and authority to be able to position issues sufficiently.

Appointment & Removal of Company Secretary

Appointment and removal of the Company Secretary shall be determined by the board. A job description for the company secretary shall be established by the board together with an annual performance evaluation conducted by the Board through the Nomination Committee by taking into account the responsibilities assigned to the company secretary.

Responsibilities of the Company Secretary

1. The Company Secretary shall ensure that notice of meetings of the Board / Committee is sent to every director and the notice shall include the date, time and place of the meeting and the agenda of matters to be discussed. Agenda shall include but not limited to:

- a. business plans and budget approval;*
- b. direction and strategy formulation,*
- c. risk management issues and resolution;*
- d. budget, approval and monitoring against actual performance, including variance reporting;*
- e. funding requirements;*
- f. formulation and monitoring of key company policies;*
- g. evaluation of management's performance;*
- h. corporate exercises, e.g. acquisitions, mergers, divestments and takeovers;*
- i. regulatory changes that impact the company's business;*
- j. emerging business issues;*
- k. corporate disclosures and announcements;*
- l. investor and stakeholder relations;*
- m. litigation matters against the company;*
- n. board, committee and individual director performance assessment;*
- o. board, committee and individual director training, education and development; and*
- p. capital expenditure of the Group Companies including feasibility studies and cash flow planning.*

2. The Chairman of the Board / Committee together with the company secretary shall ensure that directors are provided with sufficient information and time to prepare for board meetings. The information provided shall be of a quality which is appropriate to enable decision-making on the issues at hand. Information should be accurate, clear, comprehensive, timely, and to make known to the director of what is expected of him or her on that issue.

3. Upon conclusion of each meeting, all directors shall review and ensure that the minutes of meetings accurately reflects the deliberations and decisions of the board or board committees, including whether any director abstained from voting or deliberating on a particular matter.

4. The Board / Company Secretary shall ensure that the minutes of each meetings are circulated in a timely manner and that the minutes of all proceedings at meetings of the Board are kept.

On Delegation to Management / Key Officers

1. As stated in Section 211(1) of the Companies Act 2016, “the business and affairs of a company shall be managed by, or under the direction of the Board”. The board may appropriately delegate its authority to board committees or management / key officers of the company but it shall not abdicate its responsibility and shall at all times exercise collective oversight of the board committees and management/key officers.

2. The board however shall not delegate matters to a committee or management to an extent that would significantly hinder or reduce the board’s ability to discharge its functions.

3. The board may engage on the field but shall not excessively intervene on the operational and implementation role of management. The over interference with the management of the company’s processes, people and administration, in a manner which is intrusive may slow down or even inhibit business processes. Such actions of micromanagement could also create conflict and lead to demotivated management.

On Board Committees

1. The Board shall ensure that Board Committees are established to assist them in the discharge of their duties and responsibilities and allow directors to make better use of their limited time to focus on complex issues and recommending courses of action including to reinforce the role of independent directors in monitoring the company/group’s activities. The Board acknowledges that they can delegate their authority but not their responsibility or powers to committees and therefore such delegation shall be given subject to the following:

a. authority in accordance with the Constitution of the Company; and

b. clearly established terms of reference for each committee, defining responsibilities and authority, which have been approved by the board.

2. The Board shall establish an Audit Committee, Nomination Committee, Remuneration Committee and a Risk Management Committee of the board as mandated by the Bursa Malaysia Securities Listing Requirements, the Securities Commission or the Company Act 2016 to assist the board in discharging their duties and responsibilities. Each committee’s role shall be spelt out in their written terms of reference approved by the board and the Chairman of each Committee.

Declaration of Interest

1. It is a requirement in the group that all Directors, Substantial Shareholder, Senior Management and Key Officers, make written disclosure on an annual basis (in form EFB-QP-COR-11-01) for any form of conflict of interest existence in what so ever circumstance between themselves and the company / group;

2. All declaration made shall be submitted to the Group Executive Directors by the Human Resource Department on or before the 31st January each year and thereon all declaration will be forwarded to the Company Secretary for compilation of meeting file;
3. A summary of all declaration shall be prepared and made known by the company secretary to the Audit Committee during the 4th quarterly meeting (in February) for any control or actions to be taken;
4. Audit Committee upon receiving written summary of declaration on the existence of interest or on a possible conflict of interest situation shall direct needed steps to evaluate the situation;
5. Upon the audit committee discovering of a conflict of interest situation the audit committee shall report such discoveries to the board together with its recommendations; and
6. The board will then make a decision collectively on whether the matter / transactions in question is in line with the company's objectives and ensure that it is in best interest of the company/group otherwise appropriate action shall be required to be taken to safe guard the interest of the company /Group.

Access to Management and Independent Advisor

1. All Directors shall be given unrestricted access to Management and to information pertaining to the Company by directive verbally or written to the Executive Directors, including access to the Company auditors and consultants, relevant to the furtherance of their duties and responsibilities as Directors of the Company.
2. In discharging their duties, each member of the Board is given full authority to obtain independent professional advice at expense of the Company. Where such advice is considered necessary for the discharge of his / her duties and responsibilities as a Director and, for the benefit of the company, such Director shall firstly inform the Chairman of the Board in writing with the purpose and, having done so, shall be free to proceed as needed.

Annual Performance Assessment of the Board, Committees & Individual Directors

The Nomination Committee shall carry out annual assessment based on the required mix of skills, experience, diversity and other qualities, including core competencies and effectiveness of the board as a whole, the board committees, each individual Director(s), Key Management positions, company secretary and the Chairman of the Board.

Director's Induction Training

All newly appointed Directors shall be given induction / orientation training by the Executive Director during his / her first Board Meeting and he / she will be required to attend the Mandatory Accreditation Program (MAP) training within 3 (three) months from being appointed as Director (for Director who have attended the MAP training will be exempted).

Director's Continuing Education Program

Schedule of courses / trainings for Continuing Education Program shall be forwarded to all directors on a monthly basis by the Company. This is to allow directors to choose the appropriate course / trainings for date and time to attend. Director(s) who wishes to attend any of these courses /trainings or other courses shall inform the Company by contacting the Human Resource

Department for arrangements to be made on such trainings. Directors are encouraged to attend at least 1 (one) training program for each financial year.

Records and information on trainings attended by Director (s), shall be kept in the Company's Human Resource Training Department.

Succession Plans

The Board shall through the Nomination Committee review yearly the succession plans for the Chairman of the Board, the Chief Executive Officer, Chief Operating Officer, Executive Directors and other Management / Key Officers of the Company including the appointment, training and monitoring of such person(s) performance. Based on the recommendations of the Nomination Committee, the Board shall ensure that all candidates being appointed and Management/Key Officers in the Company / Group is of sufficient caliber and there are programs to provide for the orderly succession plans of these positions.

Matters Reserved for the Board and its Processes Requirements

Formal matters that shall be reserved for the board's deliberation and decision-making to ensure that the direction and control of the company are firmly vested on to the Board is being summarized below: -

1. Appointment of Director

a. The Nomination Committee as a whole shall be responsible for recommending candidate(s) for directorship. Candidates can be recommended by major shareholders / existing Directors or/and shall be sourced from independent firms or advertisements.

b. Chairman of Nomination Committee shall, after candidate been interviewed by the Nomination Committee and meets the set requirement make recommendation to the Board for candidate to be appointment.

2. Removal of a Director

a. The Board can / may remove a Director, whom the Board as a whole has determined of his / her ineligibility, disqualification, incapacitated, negligence or guilty of dereliction of duty, under the provisions of the Company's Act or for the same reason said Director may be requested by the Board not to seek re-election.

b. For this purpose, an immediate Board meeting shall be carried out and evidence or documents in support of reasons for Director to be removed shall be distributed to the Board for prior deliberation;

c. In all events, Director concerned shall and must be accorded reasonable opportunity to make a representation either verbally or in writing on the issues /charges being brought against him/her before a final decision is made by the Board for removal to be carried out; and

d. The Company Secretary shall ensure that all the necessary documents on Director's removal is being prepared in accordance and announcement or any needed information to Bursa Malaysia, Securities Commission and relevant government departments are being made according to the requirements within the allowable time frame.

3. Resignation of Director

a. A Director of the Company may resign from his/her position by giving written notice to the Board or he/she may choose to relinquish his position by not seeking for re-election when his/her term of office is due to expire. However, if Director chooses to relinquish his/her position in this manner, a notice of not to seek for re-election will still be required to be served to the Board.

b. Company Secretary shall ensure that all the necessary documents on Director's resignation is being obtained / prepared in accordance and necessary announcement to Bursa Malaysia, Securities Commission and relevant government departments are being made according to the requirements within the allowable time frame.

4. Appointment of Company Secretary

The Board through the Nomination Committee shall ensure that a qualified and competent Company Secretary is being appointed to carry out the duties of advising the board through the chairman, on governance matters, legal compliance, ensuring that there is an effective system of corporate governance in place and advising the Chairman and Directors on their duties and responsibilities.

5. Removal of Company Secretary

The removal of the Company Secretary shall be carried out by the board as a whole when the performance of the Company Secretary fails to meet the requirement of the Company & Board or fails to act in the best interest of the company.

i. The Company shall inform the Company Secretary on its intention in writing within 7 (seven) working days from the Board's decision; and

ii. Replacement of the Company Secretary shall follow the above procedures on Appointment of Company Secretary.

6. Appointment of Internal / External Auditors

The Board through the Audit Committee shall ensure that qualified and competent Auditor(s) are being appointed to carry out the duties of internal /financial auditing and advising the board through the committee chairman, on risk management & internal control, accounting / auditing matters and its legal compliance. This is to give assurance to the Board that there is an effective system of risk management and internal controls, proper accounting treatment and policy in place, within the Company / Group including advising the Chairman of the Board and Directors.

a. The Board through the Audit Committee shall first source for suitable Auditors through recommendation by Directors or by engaging external sourcing service. Audit Committee shall then carry out the process of interviewing and make their recommendation to the Chairman of the Board based on the presentation by the Auditors on their experience, knowledge and qualification;

b. Based on the information provided on the potential Auditor by the Audit Committee, Chairman of the Audit Committee shall make the recommendation to the Board and the Board as a whole shall decide on the appointment, remuneration and benefits of the Auditor; and

c. Company signs the Letter of Engagement after being approved by the Board for engagement. Company shall ensure the necessary shareholder's approval / announcement to authorities is being made within the allowable time frame.

7. Removal / Resignation of Auditors

The removal of the Auditors shall be carried out by the board as a whole based on the advice of the Audit Committee as a whole when the performance of the Auditor fails to meet the requirement of the Company & Board or Auditors fails to act in the best interest of the company where the Audit Committee Chairman: -

i. shall inform the Auditor on its intention in writing within 7 (seven) working days from the Board's decision; and

ii. shall ensure replacement of the Auditor follow the procedures on Appointment of Auditor.

8. Establishment of Board Committees

The Board shall ensure that all Board Committees recommended or mandated by the Bursa Securities Listing Requirements and the Malaysian Code on Corporate Governance are being established as to assist them in the discharge of their duties and responsibilities and allow directors to make better use of their limited time to focus on complex issues and recommending courses of action; and also, to reinforce the role of independent directors in monitoring company activities.

The Board is permitted to delegate its task to Committees but not their responsibility or powers but such delegation is to be given subject to the following:

a. authority in accordance with the company's Constitution;

b. clearly established terms of reference for each committee, defining responsibilities and authority, which have been approved by the board; and

c. each committee's role shall be spelt out clearly in their written terms of reference approved by the board and the chairman of each committee.

9. Company's Annual Operation / Budget Plans

The Company's strategic plans and annual budget (including capital expenditure budget) shall be reviewed and approved by the Board during the 3rd quarter board meeting. Executive Directors / Management shall ensure the following is being prepared for the Board in order for the Board to make well informed decisions.

Information required to be presented to the Board for obtaining Approval on the yearly capital expenditure for the Group during the 3rd quarter board meeting: -

i. Information on Capital Expenditure Plan;

ii. Return of Investment Period & ratios;

iii. Financing Method including bank / finance offers;

iv. Company / Subsidiary's current position in cash & loans;

v. Rational on capital expenditure; and

vi. Approvals to be sought (Internal & External).

Above information shall be forwarded to Company Secretary for attachment as part of the board papers to be circulated 7 (seven) days prior to BOD Meeting date by Group Financial Controller and Group Corporate Controller.

10. On Investment or Divestment

a. Information needed to be presented to the Board for obtaining approval on the Company or any of its subsidiaries business, property or undertaking: -

- i. Information on Investment exceeding RM5m / disinvestment;*
- ii. Investment Return / Loss;*
- iii. Financing Method including bank / finance offers;*
- iv. Rational on Investment / disinvestment; and*
- v. Approval to be sought (Internal & External).*

b. For investment or divestment of capital projects which represents a significant diversification from the Company's existing business activities will require the following additional information: -

- i. Information on Investment / disinvestment;*
- ii. Analysis on current and after investment /disinvestment & the type of major changes expected;*
- iii. Pros & Cons to the subsidiary / group on the Investment / disinvestment;*
- iv. Rational on Investment / disinvestment; and*
- v. Approval to be sought (Internal & External)*

Above information shall be forwarded to Company Secretary for attachment as part of the Board papers to be circulated 7 (seven) days prior to BOD Meeting date by Group Financial Controller & Group Corporate Controller.

11. On Major Changes in the Activities of the Company / Subsidiary

- a. Information on the activity change and reasons;*
- b. Analysis on current and after change in activities;*
- c. Pros & Cons of the changes;*
- d. Financial Expenditure Involved; and*
- e. Approval to be sought (Internal & External)*

Above information shall be forwarded to Company Secretary for attachment as part of the board papers to be circulated 7 (seven) days prior to BOD Meeting date by Group Financial Controller, Group Corporate Controller and Executive Directors.

12. On Treasury Policies and Bank Mandates

- a. Information on treasury policy / bank mandates; and*
- b. Bank Offer Letters / Terms & Conditions.*

Above information shall be forwarded to Company Secretary for attachment as part of the board papers to be circulated 7 (seven) days prior to BOD Meeting date by Group Financial Controller and Group Corporate Controller.

13. On Limits of Authority to Executive Directors

- a. Proposal amendment to Limits of Authority; and*
- b. Reason for addition or deletion needed.*

Above information shall be forwarded to Company Secretary for attachment as part of the board papers to be circulated 7 (seven) days prior to BOD Meeting date by Executive Directors.

14. On Review of key business risks faced by the Group

- a. Updated Risk Register of the Group;*
- b. Summary of Internal Controls in place & propose controls; and*
- c. Review the effectiveness of the Group's system of risk management and internal controls via the Risk Management Committee.*

Above information shall be forwarded to Company Secretary for attachment as part of the board papers to be circulated 7 (seven) days prior to BOD Meeting date by Risk Manager / Executive Directors.

15. On Financial reporting (Quarterly & Yearly)

- a. Approval of financial statements and their release (including financial reports for announcement to Bursa Malaysia Securities Berhad and the Securities Commission;*
- b. Comparison of Budgets / Target against the actual achieved for the quarter;*
- c. Quarterly Profit & Loss Statements;*
- d. Cash Flow Plan against Budget;*
- e. Capital Expenditure plan against actuals;*
- f. Loan repayments for the quarter / Year*
- g. Banking Facilities Available, Utilized & unutilized;*
- h. Cash Available in Fixed Deposit & Banks; and*
- i. Related Party Transactions On all subsidiaries & (their owing) inter-company balances.*

Above information shall be forwarded to Company Secretary for attachment as part of the board papers to be circulated 7 (seven) days prior to BOD Meeting date by Group Financial Controller / Group Corporate Controller.

16. On Statement of Corporate Governance, Statement on Risk Management & Internal Control for Annual Report

- a. Draft Corporate Governance Statement / Report;*
- b. Draft Risk Management & Internal Control Statement;*
- c. Draft Sustainability Statement/Report; and*
- d. Documents in support to the draft statements submitted.*

Above information shall be forwarded to Company Secretary for attachment as part of the board papers to be circulated 7 (seven) days prior to BOD Meeting date by Group Financial Controller, Group Corporate Controller and Executive Directors.

17. On Recommendation of Interim / Final Dividends

- a. Profit & Loss Management Plan;*

- b. Cash Flow Management Plan and statement of solvency as required by CA 2016; and*
- c. Dividend payment calculations and payment date.*

Above information shall be forwarded to Company Secretary for attachment as part of the board papers to be circulated 7 (seven) days prior to BOD Meeting date by Group Financial Controller, Group Corporate Controller and Executive Directors.

18. On Adoption of Accounting Policies (Malaysian Financial Reporting Standards)

- a. Rulings or Revision to Rulings on Financial Reporting Standards issued;*
- b. Explanation on the impact of such rulings on the subsidiary / Group as a whole; and*
- c. Workings on impact to the Group if any.*

Above information shall be forwarded to Company Secretary for attachment as part of the board papers to be circulated 7 (seven) days prior to BOD Meeting date by Group Financial Controller / Group Corporate Controller.

19. On Granting of power of attorney by EFB or its Subsidiaries

- a. Details on needed Power of Attorney;*
- b. Purpose of Power of Attorney; and*
- c. Risk Involved and Duration of Power of Attorney to be given.*

Above information shall be forwarded to Company Secretary for attachment as part of the board papers to be circulated 7 (seven) days prior to BOD Meeting date by Group Financial Controller, Group Corporate Controller and Executive Directors.

20. On Corporate Guarantee and Indemnity by the Company (to subsidiaries only)

- a. Details of Corporate guarantee / Indemnity;*
- b. Purpose of guarantee / Indemnity; and*
- c. Value and Risk Involved.*

Above information shall be forwarded to Company Secretary for attachment as part of the board papers to be circulated 7 (seven) days prior to BOD Meeting date by Group Financial Controller, Group Corporate Controller and Executive Directors.

21. On Changes to the Constitution of the Company / Subsidiaries

- a. Details of Changes needed;*
- b. Purpose & effect of Changes; and*
- c. Approvals needed.*

Above information shall be forwarded by Company Secretary for attachment as part of the board papers to be circulated 7 (seven) days prior to BOD Meeting date.

22. On Change in financial year end (Company or its Subsidiaries)

- a. Details to the change;*
- b. Purpose and effects of change; and*
- c. Approvals needed.*

Above information shall be forwarded to Company Secretary for attachment as part of the board papers to be circulated 7 (seven) days prior to BOD Meeting date by Group Financial Controller, Group Corporate Controller and Executive Directors.

23. On Purchase of own shares by Company

- a. Details of Shares to be purchase;*
- b. Purpose of share purchase and the intended plans;*
- c. Cost and any financing involved;*
- d. Any other matters requiring the Board's approval under the limits of authority or regulatory requirements; and*
- e. Statement of solvency as required by Companies Act 2016.*

Above information shall be forwarded to Company Secretary for attachment as part of the board papers to be circulated 7 (seven) days prior to BOD Meeting date by Group Financial Controller, Group Corporate Controller and Executive Directors.

24. On Adoption of New / Revision of Corporate Policies

- a. Adoption or Revision to Corporate Policies;*
- b. Explanation on the changes of such requirements and effects on Directors / Group as a whole; and*
- c. Draft of New or revision to be adopted.*

Above information shall be forwarded to Company Secretary for attachment as part of the board papers to be circulated 7 (seven) days prior to BOD Meeting date by Executive Directors.

Matters for Board to Seek Shareholders' Approval

1. In Compliance to the Main Market Listing Requirements, Board shall be required to obtain the following approvals from shareholders: -

- a. On re-appointment of Director;*
- b. On removal of Director;*
- c. On approval of Directors' fees and benefits for Non-Executive Directors;*
- d. On material Investment or Divestment of capital projects which represents a significant diversification from the Company / Group's existing business activities based on the Listing Requirements of Bursa Malaysia Securities;*

(Information is considered material, if it is reasonably expected to have a material effect on: -

- i. the price, value or market activity of any of the listed issuer's securities; or***
- ii. the decision of a holder of securities of the listed issuer or an investor in determining his choice of action.)***

- e. On related party transactions based on Chapter 10 of the Listing Requirements;*
- f. On declaring final dividends;*
- g. On changes in Company's Constitution based on Chapter 7 of the Main Market Listing Requirements;*

h. On appointment or dismissal and/or replacement of Company's external auditor;

i. On merger or consolidation or acquisition of any other business/ company /partnership or other entity; and

j. On allotment of shares, issue securities convertible into shares or debentures, or share warrants or options in respect of shares under Chapter 5 & 6 of the Main Market Listing Requirements.

4. POLICY ON CONFLICT OF INTEREST & RELATED PARTY TRANSACTIONS

The Board shall establish a policy for the purpose of identifying and monitoring of any existence on Conflict of Interest and Related Party Transaction in compliance to the Listing Requirements of Bursa Malaysia Securities and the Malaysian Code on Corporate Governance. The Board shall ensure that any Conflict of Interest is being declared upfront and any related party transaction (based on the definition and guideline of Bursa Malaysia Securities and the Malaysian Code on Corporate Governance are to be reviewed by the Board and seek shareholders' approval.

This policy shall cover all Directors and all level of Employees in the group.

5. POLICY ON 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.

Scope

This resolution covers disputes:

- 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.

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.

Procedure

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.
2. The Chairman shall use his or her discretion to bring the issue to the next board meeting or call an extraordinary Board meeting.
3. When dispute is raised at the Board meeting, all person(s) involved in the dispute will be given the right to speak.
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.
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.
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.*

Mediation Policy

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.
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.
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.

Roles and 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.*

6. POLICY ON COMMUNICATION WITH SHAREHOLDERS / STAKEHOLDERS

1. In line with MCCG Intended Outcome 11.0, the Board shall ensure of a continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations where Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

2. This Policy sets out the practices of the Company in respect of communicating with its shareholders (both current and prospective) where the Company recognizes the value of providing current and relevant information to its shareholders to enhance its Corporate Disclosure Policy and empowering its shareholders through effective communication.

3. Methods of Communication

The following methods of communication are available:

- (a) Bursa Announcements*
- (b) General Meetings*
- (c) Annual reports*
- (d) The Company's website*
- (e) Telephone/Facsimile/E-mail/Post*
- (f) Bursa Announcements*

The Company shall make announcements to Bursa Malaysia Securities Berhad ("Bursa Securities") in accordance with Bursa Securities Main Market Listing Requirements. All announcements made to Bursa Securities shall be made available to shareholders on the Company's website at <http://www.evergreengroup.com.my> after such information has been released to Bursa Securities.

4. General Meetings

The Annual General Meeting and other general meetings of the Company are the primary forum for communication with shareholders and for shareholders participation.

(a) Date, Time and Location of General Meetings

The date, time and location of the Annual General Meeting and other general meeting will be set out in detail in the Notice of the Meeting which will be mailed to shareholders at least 28 clear days prior to the date of the meetings. The Notice will also be advertised in the National Edition of an English newspaper and posted on the Company's website.

(b) Proxy Form

A proxy form allowing shareholders to appoint a proxy to attend in the event the shareholders cannot attend the meeting will accompany the Notice of Meeting distributed to all shareholders.

(c) Questions from Shareholders to the Chairman, Directors and External Auditors

At the Annual General Meeting and other general meetings, shareholders are encouraged to participate and ask questions about or comment on the management, the performance of the Company and/or the conduct of the audit and the External Auditors Report or the subject matter which is being tabled for shareholders considerations.

At the commencement of all general meetings, the Chairman shall inform shareholders present of their right to demand for a poll in accordance with the provisions of the Company's Constitution.

The Chairman shall provide reasonable time for questions and answers to ensure that all subject matter tabled are thoroughly considered and debated. Shareholders may also send in their questions and comments in advance either through e-mail, facsimile or post to be raised and answered at the general meetings.

5. Annual Report

The Company's Annual Report to shareholders is the central means of communicating to shareholders the Company's activities, operations and performance for the past financial year. The Annual Report is distributed to shareholders annually and is sent together with the Notice of the Annual General Meeting at least 28 clear days prior to the date of Annual General Meeting.

The Annual Report shall also be made available on the Company's website after the said Report has been released to Bursa Securities.

6. The Company's Website

The Company's website at <http://www.evergreengroup.com.my> contains information about the Company. All announcements and press releases made to Bursa Securities and other relevant corporate information that has been officially released to the market will be made available after such information has been released to Bursa Securities.

The Company's website provides a link <http://www.evergreengroup.com.my/en/contact> for any shareholder to make an enquiry on the Company's matters and they can also raise their concerns through this link and the Company Investor Relation will reply to their enquiry within 3-5 working days.

7. Telephone, Facsimile, E-mail Contact and Postal Address:

Shareholders may contact or communicate with the Company as follows:

EVERGREEN FIBREBOARD BERHAD

PLO 22, Parit Raja Industrial Estate,
86400 Batu Pahat, Johor.

Tel No.: 607-4541933

Fax No.: 607-4542933

E-mail: enquiry@efb.com.my

Issues relating to the Company's securities should be addressed to the Company's Share Registrar as follows:

Boardroom Share Registrars Sdn. Bhd.

11th Floor, Menara Symphony
No. 5, Jalan Semangat (Jalan Professor Khoo Kay Kim)
Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan
T : +603 7890 4700
F : +603 7890 4670
