

DAYANG ENTERPRISE HOLDINGS BHD

BOARD CHARTER

1.0 OVERVIEW

The Board of Directors (“the Board”) of Dayang Enterprise Holdings Bhd (“the Company” or “Dayang”) is responsible for the success of the Company and its subsidiary companies (“the Group”) by providing entrepreneurial leadership and direction as well as supervision of the management.

The Board recognizes the need to maintain high standards of corporate governance throughout the Dayang Group for long term sustainable business growth and the protection and enhancement of shareholder’s value.

The Board further recognizes that sustainability and climate-related risks and opportunities form an integral part of the Group’s long-term strategy, risk management, and value creation, and shall exercise appropriate oversight in this regard.

This Board Charter applies to the Board of Directors of Dayang Enterprise Holdings Bhd. The Board of any subsidiaries of Dayang that are listed on any stock exchange shall be governed by its own Board Charter, and nothing in this Board Charter shall be construed as limiting or overriding the authority and responsibilities of the board of such listed subsidiary.

2.0 OBJECTIVES

This Board Charter provides guidance to the Board in discharge of its duties and functions. The Board Charter sets out the composition, roles and responsibilities of the Board to ensure that all Board members acting on behalf of the Company are aware of their fiduciary duties and responsibilities and that the highest standards of Corporate Governance are applied in all their dealings in respect and on behalf of the Company.

3.0 BOARD STRUCTURE

3.1 Board Balance and Mix

3.1.1 The number of directors shall not be less than 2 nor more than fifteen (15) as set out in the Company’s Constitution.

3.1.2 In accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company must ensure that at least 2 directors or 1/3 of the board of directors of the Company, whichever is the higher, are independent directors. If the number of directors of the Company is not 3 or a multiple of 3, then the number nearest 1/3 must be used.

If a vacancy in the Board results in non-compliance with the required composition, the vacancy must be filled within 3 months in accordance with Paragraph 15.02 (3) of the Listing Requirements.

3.1.3 The Board consists of qualified individuals with diverse set of skills, experience and knowledge necessary to govern the Company to achieve the Company’s goals.

- 3.1.4 The Board shall consist of a meaningful proportion of non-executive directors with key attributes of independence. Such directors should ensure that the varied competing interests of all stakeholders are respected without sacrificing financial performance and accountability.

3.2 Tenure of Directors

- 3.2.1 New Directors shall hold office only until the next Annual General Meeting at which they will retire and be available for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.
- 3.2.2 In accordance to the Company's Constitution, an election of directors takes place subsequent to their appointment each year where 1/3 of the directors or if their number is not 3 or a multiple of 3, then the number nearest to 1/3, shall retire by rotation from office and shall be eligible for re-election at each annual general meeting.
- 3.2.3 Each director shall retire from office at least once in every 3 years and shall be eligible for re-election at the next Annual General Meeting ("AGM").

The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire (unless they otherwise agree among themselves) be determined by lot.

- 3.2.4 The directorship held by any Board member at any time shall not exceed five (5) in listed companies.
- 3.2.5 The tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the nine years, such director can be re-designated as non-independent director or upon approval being obtained from the shareholders to retain him/her as an Independent Director.

3.3 Company Secretary

The appointment and removal of the Company Secretary is a matter for the Board as a whole. The roles and responsibilities of the Company Secretaries include:

- 3.3.1 Advising the Board in relation to the constitution of companies arising from the relevant laws and regulations.
- 3.3.2 Maintaining the statutory records of the Group of Companies.
- 3.3.3 Attending meetings of the Board and shareholders and ensuring that the meeting proceedings are properly convened and minuted.
- 3.3.4 Regularly update and advise the Board on new statutory and regulatory requirements.
- 3.3.5 Briefing the Board on the proposed contents and timing announcements to be made to regulators.
- 3.3.6 Facilitating communication between the Board and Management.
- 3.3.7 Facilitating compliance with the Listing Requirements and Companies' Legislation that are applicable to the group companies.

3.4 Board Committees

3.4.1 As part of its efforts to ensure the effective discharge of its duties, the Board has delegated specific functions to certain Committees with each operating within it in clearly defined terms of reference.

3.4.2 The Chairman of the various Board Committees will report to the Board on the key issues deliberated by the Board Committees at the Board meetings.

3.4.3 The Board has established the following Committees to assist the Board in the execution of its duties:

i) **Audit Committee**

The Audit Committee assists the Board primarily in the area of financial reporting and integrity of the Group's system of Risk Management and internal controls.

ii) **The Joint Remuneration and Nomination Committee**

Joint Remuneration and Nomination Committee assists the Board on matters relating to selection, assessment and remuneration of directors.

iii) **Corporate Sustainability Committee (CSC)**

The Corporate Sustainability Committee (CSC) assists the Board in overseeing the formulation, implementation and effective management of the Group Sustainability's matters, including Environmental, Social and Governance (ESG) considerations, and supports integration of sustainability and climate-related considerations into strategy, policies, performance monitoring and disclosures.

iv) **Risk Management Committee**

The Risk Management Committee assists the Board on matters relating to establishing risk policies and to formulate active plans to evaluate risks for the Group, including sustainability and climate-related risks (physical and transition risks) and their potential impact on the Group's strategy, operations and long-term resilience.

3.5 The Board's Relationship with Shareholders

3.5.3 The Board will maintain an effective communications policy that enables both the Board and Management to communicate effectively with shareholders and the general public.

3.5.4 The Board will ensure that the General Meetings of the Company are conducted in an efficient manner and serve as a mode in shareholders communications. These include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the General Meetings.

4.0 ROLES AND RESPONSIBILITIES OF THE BOARD

4.1 Role of Board

The Board is responsible to direct and supervise the management of the business and affairs of the Company. The Board assumes, amongst others, leadership, due care and fiduciary duties under the Companies Act 2016 and applicable laws. The functions and responsibilities of the Board include the following:

- 4.1.1 reviewing and adopting strategic plans for the Group;
- 4.1.2 overseeing the conduct of the Group's business to evaluate whether the business is being properly managed;
- 4.1.3 identifying principal risks, including sustainability and climate-related risks and ensuring implementation of appropriate systems to manage these risks with a view to the long term viability and resilience of the Group;
- 4.1.4 ensuring necessary steps are taken to protect the Company's financial position and its ability to meet its debts and other obligations when they fall due.
- 4.1.5 ensuring that the Company adheres to high standards of ethics and corporate behavior;
- 4.1.6 ensuring corporate accountability to shareholders;
- 4.1.7 reviewing the adequacy and integrity of the Group's internal control and management systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- 4.1.8 ensuring that succession planning of the senior Management is in place;
- 4.1.9 establishment of Board Committees, their membership and delegated authorities;
- 4.1.10 approving and monitoring financial, and sustainability reporting to the market, shareholders and other stakeholders, including disclosures relating to material sustainability and climate-related matters;
- 4.1.11 appointment, reappointment or replacement of external auditors;
- 4.1.12 perform such other functions necessary for the discharge of its fiduciary duties under the relevant laws, rules and regulations;
- 4.1.13 Overseeing the integration of sustainability and climate-related considerations into the Group's strategy, capital allocation and business planning, having regard to long-term value creation and resilience;

4.2 Role of Chairman and Managing Director

4.2.1 The roles of the Chairman and Managing Director are strictly separated to ensure a balance of power and authority.

4.2.2 The Chairman is responsible for:

- i) Representing the Board to Shareholders and to chair and ensure efficient organization and conduct of the Board and/or meeting of the shareholders;
- ii) To lead the Board to ensure smooth functioning of the Board and the integrity and effectiveness of the governance structure of the Board;
- iii) To facilitate the effective contribution by encouraging Directors to take an active role at Board meetings;
- iv) Guiding and mediating Board actions.
- v) Ensure effective communication with shareholders and all stakeholders.

4.2.3 The Managing Director is responsible for:

- i) Responsible for the overall management of the Group ensuring organizational effectiveness and implementation of Board policies and strategies.
- ii) Directing all aspects of the business operations in a cost effective manner.
- iii) Ensure that the Group's Financial Reports present a true and fair view and operational results are in accordance with the relevant accounting standards.
- iv) Ensure compliance with governmental procedures and regulations.

4.3 Role of Senior Independent Non-Executive Director

The Senior Independent Non-Executive Director serves as a designated contact to whom concerns pertaining to Dayang Enterprise Holdings Bhd Group may be conveyed by shareholders and other stakeholders. The identity and contact of the Senior Independent Non-Executive Director shall be disclosed in the annual report of the Company.

4.4 Role of Executive and Non-Executive Directors

4.4.1 Executive directors are, as employees, involved in the day to day management of the Company.

4.4.2 Non-Executive directors (NEDs) are:-

- i) Those who have no direct or indirect pecuniary interest in the Company other than their directors' emoluments and their shareholding in the Company.
- ii) Those who are not employees of the Company or affiliated with it in any other way and are not involved in the day-to-day running of the business.
- iii) NEDs ensure that the business and investment proposals presented by management are fully deliberated and examined.
- iv) NEDs would act as a bridge between management and stakeholders, particularly shareholders. They would provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.

4.5 Independence of Directors

- 4.5.1 The Independent Directors do not participate in the day to day management of the Group and do not engage in any business dealing with the Group in order to ensure that they remain truly capable of exercising independent judgment and act in the best interests of the Group and its shareholders.
- 4.5.2 Independent Directors are those who have the ability to exercise their duties unfettered by any business or other relationship and are willing to express their opinions at the board table free of concern about their position or the position of any third party.
- 4.5.3 The Board to undertake an assessment of the independent directors annually.

5.0 BOARD PROCEDURES

5.1 Board Meetings

- 5.1.1 The Board meets at least four (4) times a year at quarterly intervals with the meetings scheduled in advance before the end of the preceding year to facilitate the Directors in managing their meeting plans. Additional meetings are convened to deliberate on matters requiring immediate attention that need to be made between scheduled meetings.
- 5.1.2 The quorum of Board meeting is 2 members, present in person.
- 5.1.3 All Board meetings shall be chaired by the Chairman of the Board. Where the Chairman is absent, the Directors present shall elect one (1) of their members to be the Chairman of the meeting.
- 5.1.4 In the event Directors are unable to attend Board meetings physically, the Company's Constitution allows such meetings to be conducted via telephone, video conferencing or any other form of electronic or instantaneous communication.
- 5.1.5 In the absence of a meeting, issues shall be resolved by way of circular resolutions, signed by majority of directors present in Malaysia.
- 5.1.6 Proceedings of all meetings are minuted and signed by the Chairman of the meeting. Minutes of all Board meetings are circulated to the directors and approved by the Board at the subsequent meeting. Directors' Circular Resolutions approved by majority of the directors are as valid and effectual as if the resolutions had been passed at the meeting of the directors. The resolutions are to be recorded in the Company's minutes' book kept by the Company Secretary.
- 5.1.7 Actions on all matters arising from any meeting are reported at the following meeting.
- 5.1.8 The Board may invite key senior management personnel of the Company or its subsidiaries, external parties such as auditors (both internal and/or external auditors), solicitors or consultants as and when the need arises. Such invited parties may attend part of all of the Board Meeting at the discretion of the Board.

5.2 Notices and Meeting Papers

- 5.2.1 A reasonable notice of every Directors meeting shall be given in writing.
- 5.2.2 As a best practice, ample time for Directors to study and evaluate the matters to be discussed and subsequently make effective decisions, the Board paper and agenda items shall be circulated at least five (5) working days prior to the meeting.
- 5.2.3 Draft minutes prepared following the Board meeting will be circulated with the Board papers in readiness for signing at the following meeting. Issues discussed in arriving at each Board's decision shall be recorded.

5.3 General Meetings

- 5.3.1 An Annual General Meeting (AGM) shall be held once per year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and at such a place as may be determined by the Directors.
- 5.3.2 The Board must ensure that any resolution set out in the notice of any general meeting is voted by poll and announcement of the detailed results showing the number of votes cast on the poll (together with the percentage) for and against each resolution and the name of the scrutineer.
- 5.3.3 The Chairman/Managing Director shall encourage shareholder participation and undertake to respond to shareholders/ queries during the AGM, and the Chairman must undertake to provide written answers to significant questions that cannot be readily answered at the meeting.
- 5.3.4 A summary of the key matters discussed at the AGM, as soon as practicable after the conclusion of the AGM must be published in the Company's website.
- 5.3.5 The Board shall consider requisitions by shareholders to convene an EGM or for any other urgent matters requiring immediate attention of the Company.

5.4 Access to Information

- 5.4.1 The Directors should have access to all information within the Company to enable them to better understand and assess the Company's performance.
- 5.4.2 Directors should also have unrestricted access to the advice and services of the Company Secretary and Senior Management staff in the Group.
- 5.4.3 The Directors are also empowered to seek independent professional advice at the expense of the Company, should they consider it necessary in their course of duties.

5.5 Directors' Training

- 5.5.1 The Directors are regularly updated by the Company Secretaries on new statutory, corporate and regulatory developments relating to Directors' duties and responsibilities or the discharge of their duties as Directors of the Company.
- 5.5.2 The Board must evaluate the training needs of its directors and ensure that their training needs are met. Competencies of members need to be refreshed by:
 - i) participation in seminars and workshops that highlight techniques of enhancement of shareholder value and methods of evaluating business performance and capital proposals;
 - ii) updating of regulatory and legislative reforms that impact Board and committee work;
 - iii) Including training on sustainability, climate-related risks, and relevant regulatory and reporting developments.

6.0 CODE OF CONDUCT AND ETHICS

The Code of Conduct and Ethics sets out the broad standards of conduct and basic principles to guide the Board in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity.

Dayang has in place a Code of Ethics for its employees that encompass all aspects of its day-to-day business operations.

Directors and employees of the Group are expected to observe high standards of integrity and fair dealings in relation to customers, staff and regulators in the communities within which the Group operates.

6.1.1 Duty of Care and Diligence

Directors ought to discharge their duty of care, skill and diligence in a conscientious manner and may be guided as follows:

- (i) Should have a clear understanding of the aims and purpose, capabilities and capacity of the company;
- (ii) Ensure that the company has established an effective governance system and process;
- (iii) Ensure that there is no undue pressure from dominant personalities or nominees of significant shareholders;
- (iv) Should devote time and effort to attend meetings and to know what is required of the board and each of its directors, and to discharge those functions;
- (v) Ensure at all times that the Company is properly managed and effectively controlled;
- (vi) ensure compliance with all applicable laws, rules and regulations to which the Group is bound to observe in the performance of its duties;
- (vii) Should be willing to exercise independent judgment and, if necessary, openly oppose of the vital interest of the Company is at stake; and
- (viii) Should limit his directorship of companies to a number in which he can best devote his time and effectiveness.

6.1.2 Relationship with Shareholders, Employees, Creditors and Customers

The Board should be conscious of the interest of shareholders, employees, creditors and customers of the Company, promote professionalism at all times and improve the competency of management and employees.

The Board should ensure adequate safety measures and provide proper protection to employees at the workplace.

6.1.3 Conflict of Interest

Directors must avoid any conflict of interest with the Company. A “conflict of interest” occurs when a Director’s private interest interferes in any way with the interests of the Company as a whole.

If a Director believes he or she has an actual or potential conflict of interest with the Company, the Director shall notify the Chairman of the Company promptly as practicable and shall in any event not participate in any decision by the Board of Directors of the Company that in any way relates to the matter that gives rise to the conflict of interest.

6.1.4 Insider Trading

Directors who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose. All non-public information about the Group and/or its business should be treated as confidential information.

To use non-public information for personal financial benefit or to “tip” others who might make an investment decision based on such information is not only unethical but is also illegal.

6.1.5 Corporate Opportunities

Directors owe a duty to the Company to advance its legitimate interests and are prohibited from:

- (i) Taking for themselves opportunities that are discovered through the use of corporate property, information or position;
- (ii) Using corporate property, information or position for personal gain; and
- (iii) Competing with the Company for business opportunities.

6.1.6 Use of Company Assets

Directors are responsible for overseeing the Company’s policies and practices to ensure that the Company assets are used for legitimate business purposes.

Directors shall not use the Company assets for their personal benefit or gain.

6.1.7 Compliance Procedures

Directors should communicate any suspected violations of this Code (and any concerns regarding accounting or auditing matters) promptly to the Chairman of the Audit Committee.

Violations will be investigated by the Board or by persons designated by the Board and appropriate action will be taken in the event of any violations of the Code.

Directors may not be retaliated against for reporting actual or suspected violations of the Code in good faith. Suspected retaliation should be reported to the Chairman of the Audit Committee.

REVIEW OF BOARD CHARTER

The Board Charter has been approved by the Board on 22 February 2017 and revised on 10 April 2019. The Board Charter shall be reviewed by the Board as required to ensure its continued relevance in assisting the Board to discharge its duties, taking into account with the changes in the corporate laws, ~~and~~ regulations and governance standards, including sustainability and climate-related governance and disclosure requirements, that may arise from time to time, and to remain consistent with the Board’s objectives and responsibilities.

This Board Charter was reviewed and approved by the Board on 11 February 2026.