



ELRIDGE ENERGY HOLDINGS BERHAD
[Registration No. 202401001446 (1547297-X)]
(Incorporated in Malaysia)

Board Charter
(Adopted w.e.f. 19 March 2024)

1. OVERVIEW

The Board Charter sets out the principal functions, composition, roles and responsibilities of the Board of Directors of Elridge Energy Group Berhad (“**Elridge**” or “**Company**”) (“**Board**”) and also the functions and responsibilities delegated to the Board Committees as well as to the key senior management of and its subsidiary(ies) (“**Group**”) (“**Management**”).

The Board is primarily responsible for ensuring that the principles of good corporate governance are practiced and appropriate governance structure is in place in creating, protecting and enhancing shareholders’ and stakeholders’ values and in promoting stability.

The Board has a duty of being effective steward and guardian of the Company in setting strategic directions and in overseeing the conduct of business and also in ensuring that the Company is in compliance with laws and ethical values and maintains an effective governance structure to ensure the appropriate management of risks and level of internal controls.

2. OBJECTIVES

The objectives of the Board Charter are intended to serve as a set of standard and guidelines for the Board, and is also intended to provide a concise overview of:

1. The delineation of the duties, responsibilities and powers of the Board and its Executive Directors and senior management of the Company with the aim of streamlining and enhancing corporate governance practices towards accountability, integrity and transparency in boardroom activities that involve the Group; and
2. Board’s operating procedures and practices pertaining to meeting, selection, nomination and appointment, training and development, performance management and evaluation, code of conduct and declarations on conflicts of interest (“**COI**”).

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

This Board Charter is governed by, where applicable, the Constitution of the Company (“**Constitution**”), the Companies Act 2016 (“**Act**”), Malaysian Code on Corporate Governance 2021, ACE Market Listing Requirements of Bursa Securities (“**ACE LR**”), applicable regulatory and legislative requirements and other good practices on corporate governance. The clauses in this Board Charter do not overrule or pre-empt the statutory requirements of Directors of the Company (“**Directors**”) enshrined in the Act, ACE LR and other relevant statutes, including the conduct of the Board as stipulated in the Constitution.

3. ROLES AND RESPONSIBILITIES

3.1 BOARD OF DIRECTORS

The Board takes full responsibility for the overall performance of the Company and its Group and its obligations to the Company's shareholders and stakeholders. The principal roles and responsibilities of the Board are as follows: -

- a. Review, challenge and adopt strategic plans/direction of the Group including setting performance objectives and approving operating budgets for the Group and to ensure that the strategies promote sustainability within the aspects of environment, social and economy and necessary resources are in place for the Company to meet its objectives. The Board is also responsible for monitoring the implementation of such plans/directions by the Management.
- b. Review and adopt corporate objectives of the Group which includes performance targets and long-term and medium-term goals.
- c. To ensure that the Group's strategic plan supports long-term value creation, focusing on economic, environmental and social considerations underpinning the sustainability of the Group in the Group's strategies, business plans, major plans of action and risk management.
- d. To promote, together with the senior management, good corporate governance culture within the Group which reinforce ethical, prudent and professional behaviour, including overseeing the ethical conduct of business and preventing bribery on the Group's business.
- e. Identify the principal risks affecting the Group and recognise that business decisions involve the taking of appropriate risks.
- f. Set the risk appetite within which the Board expects the management to operate and ensure that there is an appropriate risk and internal control management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks faced by the Group.
- g. To supervise and assess management performance to determine whether the business is being properly managed.
- h. Oversee the implementation of the Anti-Bribery & Anti-Corruption Policy, Whistleblowing Policy and Code of Conduct and Ethics, which shall articulate the acceptable practices and guide the behaviour of Directors, Management and employees of the Group.
- i. Ensure that the Management has the necessary skills and experience, taking into account the diversity factors including ethnicity, gender, age and there are measures for succession planning for the Board, Chief Executive Officer ("CEO") and Management, including the implementation of appropriate

systems for recruiting, training and determining the appropriate compensation benefits.

- j. Oversee the implementation of a shareholders' communication policy and investors' relations program for the Company, to enable effective communications with its shareholders and stakeholders.
- k. Review the adequacy and integrity of the Group's internal control systems and management information systems and to ensure regulatory compliance with applicable laws, regulations, rules and guidelines.
- l. Oversee that both safety and security risks are managed effectively to ensure protection of personnel, information and other assets.
- m. Encourage employees and related stakeholders to report to the Company any legitimate concerns over any wrongdoing relating to unlawful conduct, financial malpractice or dangers to the public or the environment within as well as any suspected and/or real corruption incidents.
- n. Initiate a Board's self-evaluation program and follow-up action to deal with issues arising and arrange for Directors to attend courses, seminars and participate in development programs as the Board judges appropriate.
- o. Delegate certain responsibilities to the various Board Committees with clearly defined terms of reference to assist the Board in the discharge of its responsibilities.
- p. Together with Management, to ensure that the sustainability strategies, priorities and targets as well as performance against such targets of the Group are communicated to the Company's shareholders and other stakeholders.
- q. Take appropriate action to ensure that they stay abreast with and understand the sustainability issues relevant to the Company and its businesses including climate related risks and opportunities.
- r. To ensure the integrity of the Company's financial and non-financial reporting.
- s. To establish an adequate Group-wide framework for co-operation and communication between the Company and its subsidiaries to assist the Board in discharging its responsibilities including oversight of Group's financial and non-financial performance, business strategy and priorities, risk management including material sustainability risks and corporate governance policies and practices.
- t. To establish and ensure the Group-wide framework on corporate governance includes a code of conduct and ethics, and policies and procedures addressing and managing anti-corruption, whistleblowing, COI, material sustainability risks and board diversity, including gender diversity.

- u. Review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the Company's continued ability to compete effectively in the marketplace.
- v. Ensure that the Company has appropriate policies and procedures to review performance of the Directors and Management and to set an appropriate level of remuneration to attract and retain them.
- w. To establish an adequate procedure which can be used to reasonably protect both the Company and top level Management from liabilities arising from Section 17A of the Malaysian Anti-Corruption Commission Act (MACC) 2009.
- x. To formalize a code of conduct and ethics, policies and procedures to guide the behaviour of Directors, Management and employees of the Group in addressing and managing anti-corruption, whistleblowing, and COI (including potential COI).
- y. To ensure a sustainable anti-corruption compliance programme is implemented on Group-wide basis with adequate resources assigned.

3.2 POWERS AND DUTIES OF THE BOARD

The powers and duties of the Board are as follows: -

- a. The Directors may exercise all such powers of the Company and do all such acts on behalf of the Company in managing the business within the scope of the Constitution and of the Act and their subsequent amendments thereto.
- b. The Board is to establish written procedures in determining the relevant issues which require the decision of the Board and issues which can be delegated to the Board Committees or Management.
- c. The Board has full decision-making powers on the following matters: -
 - i. Corporate strategic plan and annual budgets.
 - ii. Major policies which include, but not limited to, the Anti-Bribery & Anti-Corruption policy, Whistleblowing Policy, Code of Conduct and Ethics; and Risk Management Policy.
 - iii. Treasury policies including financing facility required by the Group.
 - iv. Authority limits and any revisions thereto.
 - v. Annual financial statements and quarterly financial results.
 - vi. Material capital expenditure and acquisitions and disposal of assets which are not in the ordinary course of business of the Group.
 - vii. COI issues relating to substantial shareholders or Directors.
 - viii. Declaration of interim dividends.
 - ix. Board structure including appointment of Directors and members of the Board Committee.
 - x. Any significant business decision.

- xi. The granting of powers of attorney by the Company.
- xii. Change of accounting reference date, registered office and name of the Company.
- xiii. Any matters requiring the convening of a general meeting of shareholders.
- xiv. Any other issues which may be required by the laws or the governing authorities or decided by the Board from time to time.

4. SIZE, COMPOSITION AND NOMINATION

The size of the Board is stipulated in the Constitution. The composition of the Board shall at all times comprise at least two (2) directors or one-third (1/3) of the Board members, whichever is the higher, are independent directors. The size of the Board must be commensurate with the range of credential, knowledge, views and experience needed for effective functioning of the Board and the regulator's requirement of independent directors.

The Chairman should not be a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee.

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

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

The detailed profiles of nominated directors will be presented to Board by the Nomination Committee to assist the Board in their decision whether to confirm the appointment of the nominated directors.

All new Directors appointed to the Board shall undertake an induction program coordinated by the CEO.

5. ROLE OF AN INDIVIDUAL DIRECTOR

Each Director is aware of his/her responsibilities to the shareholders and stakeholders for the manner in which the affairs of the Company are managed.

All Directors are expected to comply with statutory and other obligations when discharging their responsibilities as Directors, including: -

- a. exercising his/her powers for a proper purpose and acting in good faith and in the best interests of the Group.
- b. exercising reasonable care, skill, and diligence by applying the knowledge, skill, and experience which may reasonably be expected from a director having the

same responsibilities; and applying any additional knowledge, skill, and experience which they have in directing or managing the business and affairs of the Group.

- c. maintaining a sound understanding of the business, and keeping abreast of relevant developments to ensure he/she is able to discharge his/her duties and responsibilities effectively.
- d. preparing for Board meetings, contributing constructively to Board discussions and decision-making, and conducting due inquiry before approving a matter.
- e. ensuring key transactions or critical decisions are deliberated and decided on by the Board in a meeting.
- f. ensuring his/her decisions and the basis for those decisions, including any dissenting views are made known and properly minuted.
- g. avoiding COI with the Group in a personal or professional capacity.
- h. not accepting a benefit from or providing a benefit to a third party by reason only of: -
 - he/she is a director; or
 - he/she is doing something or refraining from doing anything as a director; unless he/she is permitted to do so by the Constitution or Code of Conduct and Ethics and it is not contrary to any written law.
- i. refraining from making improper use of information gained through the position of director and from taking improper advantage of the position of director.
- j. ensuring Board information, discussions, deliberations, and decisions that are not publicly known confidential, and not used for personal interest or their employers' interest.
- k. notifying the Chairman of the Board ("**Chairman**") before accepting any new directorship in listed companies and ensuring that the directorships held by the Board member at any one time shall not exceed five (5) in listed companies.
- l. disclosure of and abstaining from voting on matters of material personal interest.
- m. disclose immediately and fully all contractual interests whether directly or indirectly with the Company.

6. **ROLE OF CHAIRMAN**

The Board shall appoint one of its members to be Chairman in accordance with the Constitution. The positions of Chairman and CEO are held by different individuals. The Chairman should not be a member of the Audit and Risk Management Committee, Nomination Committee, or Remuneration Committee.

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

- a. Providing leadership for the Board so that the Board can perform its responsibilities effectively;
- b. Overseeing the Board in discharging its fiduciary duties;
- c. Setting Board agenda with consultation with the Secretary, Board members, and Management; and ensuring efficient and effective conduct of the Board meetings;
- d. Ensuring the provision of accurate, timely, and clear information to members of the Board;
- e. Ensuring effective conduct of general meetings and allowing shareholders to participate actively in such meetings;
- f. Ensuring effective communication between the Board and the shareholders and stakeholders and that their views are communicated to the Board;
- g. Promoting constructive and respectful relations between Board members and between the Board and Management;
- h. Encouraging active participation and allowing dissenting views to be freely expressed;
- i. Managing the interface between the Board and management;
- j. Acting on the results of board performance evaluation by recognising the strengths and addressing the weaknesses of the Board; and
- k. Leading the Board in the adoption and implementation of good governance practices.

7. EXECUTIVE DIRECTORS

The key responsibilities of the Executive Directors are to:

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

8. ROLE OF CEO

The CEO implements the policies, strategies, and decisions adopted by the Board. He/she is responsible for the day-to-day management of the Group with all powers, discretions, and delegations authorised, from time to time, by the Board.

The CEO shall ensure that the business and affairs of the Group are carried out in compliance with the relevant laws, regulations, rules, and guidelines.

The CEO is to lead and provide direction on business development, and to make appropriate recommendations to the Board on proposed strategic investments and corporate exercises and to be accountable and responsible for the Group's operations, financial and sustainability performance.

The CEO is responsible in implementing the policies, strategies and decisions adopted by the Board.

The CEO is responsible for bringing material matters to the attention of the Board in an accurate and timely manner.

9. INDEPENDENT DIRECTOR

The independent directors are responsible for providing independent views, advice and judgment to matters under consideration by the Board.

The independent directors help to ensure that the long-term interests of all the shareholders and stakeholders of the Company are taken into account by the Board and that the relevant issues are subject to objective and impartial consideration by the Board.

The tenure of an independent director should not exceed a cumulative term of nine (9) years. In the event the Board intends to retain the Independent Directors upon the completion of serving a cumulative term of nine (9) years, the Board shall seek annual shareholders' approval through a two-tier voting process provided the tenure does not exceed a cumulative term of twelve (12) years.

10. COMPANY SECRETARY

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

The key roles of the Company Secretary are to provide unhindered advice and services for the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.

The main responsibilities of the Company Secretary include, but are not limited to the following:-

- Manage all Board and committee meeting logistics, attend and record minutes of all Board and committee meetings and facilitate Board communications;
- Advise the Board on its roles and responsibilities, particularly the additional or changes in obligations arising from the implementation of the new laws and regulations or any amendments thereof;
- Facilitate the orientation of new directors and assist in director training and development;
- Advise the Board on corporate disclosures and compliance with Company and securities regulations and ACE LR;
- Manage processes pertaining to the annual shareholder meeting;
- Monitor corporate governance developments and assist the Board in applying corporate governance practices to meet the Board's needs and stakeholders' expectations;
- Serve as a focal point for stakeholders' communication and engagement on corporate governance issues; and
- Carry out other functions as deemed appropriate by the Board from time to time.

11. BOARD COMMITTEES

The Board may from time to time establish appropriate Committees to delegate responsibilities for specific matters to the Board Committees to assist in the discharge of its responsibilities. The Board Committees report and make recommendations to the Board who is ultimately responsible for all decisions made. The Board has established the following Committees:-

a. Audit and Risk Management Committee

The Audit and Risk Management Committee is to assist the Board in fulfilling its oversight responsibilities relating to accounting and reporting practices as well as risk management policies and strategies and sustainability initiatives of the Group.

b. Remuneration Committee

The Remuneration Committee is to assist the Board in fulfilling its responsibility on matters relating to the Group's compensation, bonuses, incentives and benefits.

c. Nomination Committee

The Nomination Committee is to assist the Board in fulfilling its responsibility in nominating new nominees to the Board and Board Committees and ensure their compositions meet the needs of the Company, and to lead the succession planning of the Board members and assess the performance of the Board and individual Directors on an on-going basis.

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

The Chairman of the relevant Board Committees will report to the Board on the key issues deliberated by the Board Committees at the Board meetings. Where a Committee meeting is necessarily held a short time in advance of a Board meeting, for example where the Audit and Risk Management Committee completes its review of the financial statements only shortly in advance of the Board meeting to approve those accounts, the Board may be verbally briefed by the chairman of the Committee. However, this must be followed by formal written minutes within the prescribed timeframe.

12. BOARD MEETINGS AND PROCEDURES

The Board shall meet at least four (4) times a year and has a formal schedule of matters reserved for the Board to decide.

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

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

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

- To meet on a quarterly basis, but in any event, no less than once every three (3) months, or whenever deemed necessary;
- All directors must attend at least 50% of the Board meetings held in each financial year or such other percentage as may be prescribed by the ACE LR;
- the quorum of the meetings shall be met pursuant to the Constitution;
- the participation of the Director can be facilitated by means of video or teleconferencing;
- the relevant management personnel may be invited to attend the Board meetings;
- The Company Secretary shall be the Secretary of the Board Meeting and minutes of meetings shall be taken and documented; and
- Information and meeting materials should be supplied to the Directors at least five (5) business days prior to the meeting in order for them to discharge their duties.

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

Together with the Chairman, the CEO is responsible for the appropriate preparation and documentation of issues to be dealt with by the Board. The Board's documentation shall contain sufficient information to provide the Board members with an adequate basis to deliberate and reach a decision on the issue in question.

The Board may invite 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 or all of the Board meeting at the discretion of the Board.

13. GENERAL MEETING

General meetings are important platforms for Directors and senior management to engage shareholders to facilitate greater understanding of the Company's business, governance and performance. It is the role of the Board to ensure that the Annual General Meeting ("AGM") and Extraordinary General Meeting of the Company are conducted in an efficient manner and serves as a crucial mechanism in shareholders' communications.

The Board shall focus its efforts on the following best practices to enhance the effectiveness of the general meeting:-

- Notice of AGM should be given to the shareholders at least 28 days prior to the AGM.
- All Directors would commit to attend the general meetings of the Company in order to provide an opportunity for the shareholders to actively engage with each Director.
- The Chairman and Board Committees should provide meaningful response to questions addressed to them.
- All voting on resolutions in all general meeting shall be conducted via electronic poll voting.

14. DISCLOSURE AND CONFLICT OF INTEREST

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

A Director, who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company or any of its subsidiaries shall declare the Directors' interests in accordance with the provisions of the Act and the COI Policy. The Director concerned shall excuse himself from Board discussions and deliberations and voting in respect of those resolutions/interests unless as otherwise provided for in the Act.

Should there be an actual, potential or perceived COI between the Company or a related corporation and a director, or an associate of a Director such as a spouse, other family members, the interested Director involved shall make full disclosure in bona fide and act honestly in the best interest of the Group.

15. ACCESS TO INFORMATION AND ADVICE

The Board members have access to all information pertaining to the Company and Management shall supply accurate and complete information to the Board in a timely manner to enable the Board to discharge its duties effectively.

The Chairperson, assisted by the Company Secretary, assesses the type of information required to be provided to the Board. If the information provided by the Management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.

The Directors acknowledge that the confidential information received in the course of exercise of the Board duties remains the property of the Group, whether it relates to the Group or another entity. It will not be disclosed unless the disclosure is required by law.

All Directors have access to the advice and services of the Company Secretary.

A Director is entitled to seek independent professional advice, including but not limited to legal, accounting and financial, either collectively or individually as may be considered necessary in furtherance of their duties and responsibilities at the expense of the Company.

16. DIRECTORS' TRAINING

Directors are expected to undertake continuing professional education to enable them to discharge their duties effectively. While Management, Company Secretary, Internal and External Auditors will brief the Board on changes in the legislative, regulatory or industry framework which impact the Group, this is not a substitute for the Directors' efforts to seek continuous knowledge of the changes in the market regulations.

Based on the result of appraisal, the Nomination Committee would assist the Board to undertake an assessment of the training needs of each director.

17. FINANCIAL REPORTING

The Board is responsible for reviewing the Management's draft of the financial statements. The Company aims to present a clear and fair assessment of the Company's financial position and future prospects in respect of all quarterly results, annual financial statements and announcements issued by the Company within the stipulated timeframe.

The Board is assisted by the Audit and Risk Management Committee who helps to scrutinise information to ensure disclosures are made accurately and adequately on a timely basis.

18. RELATIONSHIP WITH SHAREHOLDERS AND STAKEHOLDERS

The Board ensures timely release of financial results and various announcements to provide shareholders with an overview of the Company's performance, corporate strategies and other matters affecting the interests of shareholders.

The Board shall prepare issues to be dealt with at shareholders' meetings and use the shareholders' meetings to communicate effectively with its shareholders, stakeholders and the public in general.

The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

The Board maintains appropriate corporate disclosure policies and procedures which are in compliance with the ACE LR.

19. REMUNERATION

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

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

20. INDEMNITY AND INSURANCE

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

21. REVIEW OF THE BOARD CHARTER

The Board shall review the Board Charter and to make any necessary or desirable amendments as and when the Board deems necessary to ensure they remain consistent with the Board's objective. A copy of this Board Charter is available on the Company's website.