ARVEX BERHAD

[Registration No. 202501045449 (1646857-P)]

BOARD CHARTER

1. INTRODUCTION

In achieving the objectives of transparency, accountability and effective performance for Arvex Berhad ("Arvex" or the "Company") and its subsidiaries ("**the Group**"), the enhancement of corporate governance standards is vital and it is with the aim of enshrining the concepts of good governance as promulgated in the new Malaysian Code on Corporate Governance 2021 that this Board Charter ("**Charter**") is established.

The Charter serves as a reference point for Board activities and should not be construed as a blueprint for Board operations. Just as each organisation has its own corporate culture, the dynamics of each Board is unique. The dynamics shift as the composition of the Board changes, and the Directors of the Company should always be open to new opportunities and ready to confront new challenges brought about by change.

This Board Charter is established to promote high standards of corporate governance and is designed to provide guidance and clarity for Directors and Management with regard to the role of the Board and its committees. This Board Charter does not overrule or pre-empt the statutory requirements of Directors enshrined in the Act, the Income Tax Act, 1967 and other relevant statutes, including the conduct of the Board as stipulated in the Constitution of the Company. This Board Charter shall constitute, and form, an integral part of each Director's duties and responsibilities.

2. INTERPRETATION

In this Charter:

"**Act**" means the Companies Act, 2016

"**Board**" means the Board of Directors of the Company.

"**Bursa Securities**" means Bursa Malaysia Securities Berhad.

"**Chairman**" means the Chairman of the Board and is used in a gender neutral sense.

"**MCCG**" means the Malaysian Code on Corporate Governance 2021.

"**Company Secretary**" means the Board secretary(ies) or the person(s) normally exercising the functions of a Board secretary.

"**Independent Director**" is defined in accordance to Rule 1.01 of the ACE Market Listing Requirements of Bursa Securities.

"**Listing Requirements**" means the ACE Market Listing Requirements of Bursa

Securities.

"**Management**" means the Management personnel of the Company.

"**MD**" means the Managing Director of the Company.

"**Shareholders**" means the shareholders of the Company.

Words importing masculine shall include the feminine and neuter genders and vice versa.

3. PURPOSES

The Board Charter sets out the composition, roles and responsibilities and processes of the Board.

The Board Charter, which serves as a strategic guidance and effective oversight of management, is also intended to provide a concise overview of:

i) clarification of the roles and responsibilities of the Board, individual director, chairman, chief executive officer and management to facilitate the Board, individual director, chairman, chief executive officer and management's accountability to the Group, the Company and its shareholders;

ii) delegation of authority by the Board to various committees established in assisting the Board to execute its duties and responsibilities; and

iii) Board operating procedures and practices pertaining to meetings, training and development, code of conduct and declarations on conflicts of interest.

4. BOARD STRUCTURE

A. Board Balance and Composition

i) The Board should be of a size and composition with the benefit of diversity in perspectives and skills that is conducive to effective decision making and effective discharge of its roles and responsibilities for the benefit of the Group and its Business. In accordance with Rule 15.02 of the Listing Requirements, the number of Independent Directors should make up of at least two or one-third, whichever is higher, of the total Board members. If the number of directors of the listed corporation is not three or a multiple of three, then the number nearest to one-third shall comprise of Independent Directors. In line with the MCCG, at least half of the Board comprises of Independent Directors.

ii) The number of directors shall not be less than two (2) and not more than nine (9) as set out in the Company's Constitution.

iii) The Board also recognises the importance of having a clearly accepted division of power and responsibilities at the head of the Company to

ensure a balance of power and authority. It is the policy of the Board to keep the roles of the Chairman and the MD separate and are held by different individuals.

iv) The Board recognises the significant representation by Directors who are capable and willing to make business decisions and judgement in the best interest of the Group and free from influences which would give rise to conflict of interest with that duty and are also independent of Management. The Board decision making process should be independent and objective.

v) The Board recognises the need for an appropriate balance between executive Directors who possess extensive direct experience and expertise in the core business activities of the Group, and non-executive Directors who have outstanding track records and reputation, and who are able to bring to the Board a broad range of general commercial expertise and experience.

vi) A Director should inform the Board's Chairman before he/she accepts any new directorships in public listed companies or other companies, and any other significant commitments outside the Company, to prevent any conflict of interest from arising. Each Board member must not hold directorships at more than five (5) listed issuers. Directors appointed should be able to devote the required time to serve the Board effectively. The Board should consider the existing Board positions held by a Director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the Company should be avoided.

vii) Where the CEO or Executive Directors form part of the Board, the Non-Executive Directors are encouraged to meet among themselves at least annually to discuss among others strategic, governance and operational issues.

viii) All Directors shall disclose and declare the nature and extent of any conflict of interest or potential conflict of interest including interest in any competing business, that they have with the Company or its subsidiaries.

B. **Appointment and Re-election**

i) The appointment of a new Director to the Board is only made after consultation with the Nomination Committee ("NC") and it is of essence of the Board to ensure high levels of professional skills and appropriate personal qualities are pre-requisites for such nominees. The NC will consider the required mix of skills, experience, other qualities and diversity, including gender, where appropriate, which the Director should bring to the Board. Further, in identifying candidates for appointment as directors, the Board does not solely rely on recommendations from existing Board members, Management or major shareholders. The Board utilises a variety of independent sources to identify suitably qualified candidates.

ii) The Board has a Senior Independent Director to whom shareholders' concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman or the MD have failed to resolve them.

iii) No person shall be appointed, elected or re-elected as a Director on the Board or continue to serve as a Director if the person is or becomes an active politician. A person is considered an "active politician" if he is a Member of Parliament, State Assemblyman or holds position as the Supreme Council or division level in a political party.

iv) The tenure of the Executive Directors is tied to their executive office.

v) The criteria for the recruitment or appointment (including election/re-appointment) of Director are guided by fit and proper assessment by the NC based on the Terms of Reference of NC.

vi) In the event of any vacancy in the Board, resulting in non-compliance with the above, the Board must ensure that the vacancy is filled within three (3) months.

vii) In accordance with the Company's Constitution, one-third (1/3) or the number nearest to one-third (1/3) shall retire from office at each Annual General Meeting ("**AGM**"). A retiring Director is eligible for re-appointment. Directors shall retire from office at least once every three (3) years but shall be eligible for re-election at the AGM. Any new or additional Director appointed by the Board during the year to fill a casual vacancy or as an addition shall hold office only until the next AGM and shall then be eligible for re-election. The election of each Director is voted separately.

viii) The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director. The Board, in exception cases and subject to the assessment of the NC on an annual basis, recommend for an Independent Director who has served a consecutive or cumulative term of nine (9) years to remain as an Independent Director subject to valid justification and shareholders' approval through a two-tier process.

ix) The Board shall undertake an assessment of its Independent Directors annually. When the tenure of an Independent Director reaching nine (9)-year limit, he/she may continue to serve on the Board as Non-Independent Director. The Board shall justify and seek annual shareholders' approval through a two-tier voting process as guided by the MCCG as follows:-

Tier 1: Only the large shareholder(s) of the Company votes; and
Tier 2: Shareholders other than large shareholder(s) votes.
Large shareholder(s) means a person who –

a) is entitled to exercise, or control the exercise of, not less than 33%

of the voting shares in the Company;

b) is the largest shareholder of voting shares in the Company;

c) has the power to appoint or cause to be appointed a majority of directors of the Company; or

d) has the power to make or cause to be made, decisions in respect of the business or administration of the Company, and to give such effect to such decisions or cause them to be given effect to.

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

The Board shall undertake a rigorous review to determine whether the "independence" of the director has been impaired to justify retaining an Independent Director beyond the cumulative term limit of nine (9) years. Findings from the review shall be disclosed to the shareholders for them to make an informed decision.

x) Annual assessment on the effectiveness of the Board, Board Committees and Individual Directors will be carried out with the objective to draw the attention of the Board key areas that need to be improved.

4. ROLES AND RESPONSIBILITIES

A) Responsibilities of the Board

i) Shareholders elect the Board to oversee Management and to ensure that Shareholder long-term interests are served. Through oversight, review and counsel, the Board establishes and promotes Arvex's business and organizational objectives, provides leadership to Arvex, oversees business affairs and integrity, works with Management to determine the Company's mission and long-term strategy.

ii) All Directors should objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company and must act with integrity, lead by example, keep abreast of his responsibilities as a Director and of the conduct, business activities and development of the Company.

iii) A Director shall at all times avoid conflicts of interest, and shall as soon as practicable after the relevant facts have come to his/her knowledge, declare the nature of his/her interest at a meeting of the directors of the Company.

iv) The Board has delegated certain responsibilities to committees which operate in accordance with this Charter as approved by the Board and have delegated the day to day Management of the business of the Group to the Management and MD. The Board ensure that a balance of power and authority between the Chairman and the MD with a clear division of

responsibilities between the running of the Board and the Group/Company's business respectively. The positions of Chairman and MD are held by different individuals.

v) The Board exercises direct oversight of the strategic risks to the Company and other risk areas are delegated to one of its committees.

vi) The Board shall reserve a formal schedule of matters for its decision to ensure that the direction and control of the Group is firmly in its hands. This includes strategic issues and planning, material acquisition and disposal of assets, capital expenditure, risk management policies, appointment of auditors and review of the financial statements, financing and borrowing activities, ensuring regulatory compliance and reviewing the adequacy and integrity of internal controls.

vii) The principal duties and responsibilities of the Board including those adopted from the MCCG are:

a) together with senior Management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;

b) review, challenge and decide on Management's proposals for the Company, and monitor its implementation by Management;

c) ensure that the strategic plan and direction of the Company supports long-term value creation and includes strategies on economic, environmental, social and governance considerations underpinning sustainability;

d) supervise and assess the conduct and performance of the Management to determine whether the business is being properly managed;

e) ensure there is a sound framework for internal controls and risk management;

f) understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks;

g) set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;

h) ensure that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of the Board and Senior Management;

i) ensure that the Company has in place procedures to enable effective communication with stakeholders;

j) ensure that all its directors are able to understand financial statements and form a view on the information presented;

k) ensure the integrity of the Company's financial and non-financial reporting;

l) monitoring and reviewing policies and procedures relating to occupational, health and safety, and compliances with the relevant laws and regulations; and

m) ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the Board, Senior Management and shareholders, includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders are made visible to all meeting participants during the meeting itself.

B) Matters Reserved for the Board

The Board reserves full decision-making powers on the following matters:

a) Reviewing and approving the annual strategic business plan and financial budget;

b) Assess performance of Board and Board Committees;

c) Declaring and recommending all forms of dividend payment, out of which some dividend payment may be subject to the approval of shareholders in the AGM;

d) Reviewing and approving financial statements encompassing annual audited financial statements and quarterly reports;

e) Review corporate governance principles and policies as well as oversee implementation of corporate governance best practices;

f) Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;

g) Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;

h) Strategic investments, mergers and acquisitions and corporate exercises;

i) Limits of authority;

j) Treasury policies;

k) Risk management policies; and

l) Key human resource issues.

C) Responsibilities of Chairman

The Chairman carries out a leadership role in the conduct of the Board and its relations with the shareholders and other stakeholders. The Chairman is primarily responsible for:

a) providing leadership for the Board so that the Board can perform its responsibilities effectively;

b) setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;

c) leading Board meetings and discussions;

d) encouraging active participation and allowing dissenting views to be freely expressed;

e) managing the interface between the Board and Management;

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

g) leading the Board in adoption and implementation of good corporate governance practices in the company;

h) ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the Company's financial and non-financial performance as well as the Company's long-term strategies

D) Responsibilities of MD

The position of the MD in essence is to ensure the effective implementation of the Group's Business Plan and policies established by the Board as well as to manage the daily conduct of the business and affairs to ensure its smooth operation.

The MD, in association with the Chairman, is accountable to the Board for the achievement of the Group's mission, goals and objectives. The MD, in association with the Chairman, is accountable to the Board for the achievement of the Group's mission, goals and objectives.

The MD is responsible to the Board for the following:

a) executive management of the Group's business covering, inter alia, the

development of a strategic plan, an annual operating plan and budget, performance benchmarks to gauge Management performance and the analysis of Management reports;

b) developing long-term strategic and short-term profit plans, designed to ensure that the Group's requirements for growth, profitability and return on capital are achieved;

c) directing and controlling all aspects of the business operations in a cost-effective manner;

d) effectively oversee the human resources of the Group with respect to key positions in the Group's hierarchy and recruitment of senior Management staff, determination of remuneration as well as terms and conditions of employment for senior Management and issues pertaining to discipline;

e) ensures that the Group's Financial Reports present a true and fair view of the Group's financial condition and operational results and are in accordance with the relevant accounting standards;

f) assures the Group's corporate identity, products and services are of high standards and are reflective of the market environment;

g) ensures compliance with governmental procedures and regulations and business relationships;

h) coordinates business plans with the businesses heads, coordinates management issues through the Board, and oversees divisional function groups and cost containment processes in consultation with the Financial Controller;

i) assist the Chairman in organising information necessary for the Board to deal with the agenda and to provide this information to the Directors on a timely basis.

E) Responsibilities of Independent Director

Independent Directors are those who have no direct or indirect pecuniary interest in the Company other than the remuneration for their services as members of the Board of Directors and Board committees of the Company and the Group as defined under Rule 1.01 of the Listing Requirements. An Independent Director shall be a person who is not, and has not been within the last 3 years, an officer (except as an independent director) of the said Corporation. For this purpose, "officer" has the meaning given in Section 2 of the Companies Act 2016.

The role of an Independent Directors is to constructively challenge and help develop proposals on strategy including, inter alia:-

a) an Independent Director is independent of Management and free of any significant business or other relationships that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement, and who

otherwise meet the criteria for independence.

b) to make independent assessments of the information, reports or statements, having regard to the Directors' knowledge, experience and competence, to provide an independent view and demonstrate objectivity in reviewing and challenging the Management's proposals at meetings;

c) to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to keep abreast of industry issues, market development and trend, and enable them to sustain their active participation in board deliberations;

d) to act as a channel of communication between Management, shareholders and other stakeholders, and provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.

e) Independent Directors shall meet among themselves at least annually to discuss among others strategic, governance and operational issues.

F) Responsibilities of Senior Independent Director

The role of a Senior Independent Director includes, amongst others:

a) to act as a sounding board for the Chairman;

b) an intermediary for other Directors when necessary;

c) to ensure all independent directors have the opportunity to provide input on the agenda, and advise the Chairman on the quality, quantity and timeliness of the information submitted by Management that is necessary or appropriate for the Independent Directors to perform their duties effectively;

d) to consult the Chairman regarding board meeting schedules to ensure the Independent Directors can perform their duties responsibly and with sufficient time for discussion of all agenda items;

e) to serve as the principal conduit between the Independent Directors and the Chairman on sensitive issues;

f) serve as a designated contact for consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact with the Chairman or MD;

g) the point of contact for shareholders and other stakeholders;

h) lead the succession planning and appointment of directors, and oversee the development of a diverse pipeline for Board and Management

succession, including the future Chairman, Executive Directors and MD; and

i) lead the annual review of board effectiveness, ensuring that the performance of each individual director and Chairman of the Board are independently assessed.

G) Responsibilities of Individual Director

Directors are accountable to their shareholders and should use their best efforts to ensure that the Group and the Company are properly managed and constantly improved so as to protect and enhance shareholder value, and to meet the Group and the Company's obligations to all parties with which the Group and the Company interacts, i.e. its stakeholders. Their responsibilities include, amongst others, the following:

a) Directors are appointed to act in the interests of the Group and the Company and an important area of their legal responsibilities derives from trust law - the fiduciary duty to act in the interests of the Group and the Company, which includes the interests of the shareholders;

b) They are under a duty to exercise reasonable skill and care in the discharge of their functions;

c) Directors are required to exercise the utmost good faith towards the Group and the Company in all their actions and to act honesty in the exercise of the powers and in the discharge of the duties of their office;

d) Directors are expected to be actively involved not only in Board meetings but general meetings of shareholders;

e) Acquiring knowledge about the business of the Group and the Company, the statutory and regulatory requirements affecting effective discharge of their duties, being aware of the physical, political and social environment in which it operates;

f) Assisting the Chairman in providing the Group and the Company with effective leadership; and

g) Being available to advise management between Board meetings when necessary.

H) Responsibilities of Management

The responsibilities of the Management, in general, are:

a) Developing and proposing for the Board's approval, strategic plan and annual budget for the Group to ensure achievement of the objectives set by the Board;

b) Communicating to the staff on any decision made and implementing the strategic plan that approved by the Board to ensure that the

objectives of the Group and the Company approved by the Board are met;

c) Running and managing the operations of the Group and the Company in a proper manner and in accordance with the Board approved strategic plan within the limit of authority set by the Board;

d) Setting up of an appropriate and effective internal control measures and risk management framework to identify, assessing, managing and monitoring key risks;

e) Assisting the Board in the establishment of Group and Company's policies by developing such policies for the Board's review and approval, and for Group and Company to adopt and implement the approved policies;

f) Developing effective management information and internal control systems of the Group and the Company to ensure that integrity and adequacy of the systems are intact;

g) Reporting to the Board periodically on the performance of the Group against the approved plan and budget as well as other matters that is under the Board's purview and enable the Board to discharge its responsibilities effectively; and

h) Reporting to the Board on matters that required their decision/approval or of significance to the Group and the Company.

I) Responsibilities of Board Committees

The Board reserves the right to establish Committees from time to time in the discharge of its duties and responsibilities. The existence of the Board Committees does not diminish the Board's responsibilities for the affairs of the Group where the delegation of power shall be subjected to the approved terms of references and in accordance with this Charter. The Chairman of the Board is not a member of the Audit Committee, Nomination Committee or Remuneration Committee.

The following committees have been established:

I) **Audit Committee (AC)**

The AC assists in fulfilling the Board's stewardship accountability to its Shareholders and financial stakeholders by providing means for review of the Group's processes for producing financial data, its internal controls and independence of the Company's external and internal auditors. An AC shall provide assurance to the Board with quality and reliable financial information and are responsible for the accuracy and integrity of the Group's financial reporting.

The duties and responsibilities of the AC should include the following:-

A) **External Audit**

a) Review with the external auditors on their audit plan, their evaluation of the system of internal controls, audit report, problems and reservations arising from the interim and final audits, the management letter and Management's response and the adequacy of assistance given by the Group's employees.

b) Review any letter of resignation from the external auditors and report the same to the Board

c) Review whether there is any reason that the external auditor is not suitable for reappointment and make the relevant recommendation to the Board.

d) Recommend the nomination of a person or persons as external auditors, including matters related to audit fees. In considering the appointment or re-appointment of the external auditors; to consider among others:-

i) the adequacy of the experience and resources of the accounting firm;

ii) the persons assigned to the audit;

iii) the accounting firm's audit engagements;

iv) the size and complexity of the Group being audited;

v) the number and experience of supervisory and professional staff assigned to the particular audit;

vi) the appropriateness of audit fees to support a quality audit;

vii) results of recent inspections on the firm by the Audit Oversight Board, the Malaysian Institute of Accountants ("MIA") or other regulatory bodies, if any;

viii) the information presented in the Annual Transparency Report or, in the event the audit firm is not required to issue an Annual Transparency

Report, to engage the audit firm on matters typically covered in an Annual Transparency Report of the audit firm.

g) Ensure the proper policies and procedures are established and to assess the suitability and independence of external auditors, including obtaining written assurance from external auditors confirming they are and have been independent throughout the conduct of audit engagement in accordance with the terms of reference of all relevant professional and regulatory requirements.

h) Review non-audit services which may be provided by the external auditors (e.g. contract and nature) and the fee for such service. The non-audit services to be approved by the AC before they are rendered by the external auditors and its affiliates while taking into account the nature and extent of the non-audit services and the appropriateness of the level of fees

B) **Internal Audit**

a) review the adequacy of the scope, functions, competency and resources of the internal audits functions, and that it has the necessary authority to carry out its work;

b) review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function;

c) review the effectiveness of the Group's internal audit function and make recommendations necessary for the improvement of the internal audit function;

d) to ensure the internal audit function is independent of the activities it audits and the head of internal audit reports directly to the AC. The head of internal audit should have the relevant qualifications and be responsible for providing assurance to the AC that the internal controls are operating effectively. The head of internal audit will be responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control, and governance processes within the Company.

e) ensure appropriate internal audit function which helps to accomplish the Company's goals by bringing an objective and disciplined approach to evaluate and improve the effectiveness of risk management, internal control, anti-corruption, whistleblowing and governance processes. This function serves as an important source of advice for the AC and the Board concerning areas of weaknesses or deficiencies in internal processes to facilitate appropriate remedial measures by the Company.

C) **Risk Management**

a) to review the adequacy of risk management and receive reports from the internal auditors and external auditors on the effectiveness of controls in each major risk area

b) to comment annually on the effectiveness of risk management activity in the Group on the basis of audit received and the annual report from the Management.

c) Determine the board's acceptable risk appetite or level of exposure for the Group and the Company;

d) Establish and maintain an adequate monitoring process and reporting mechanism;

e) Approve major decisions affecting the Group and Company's risk profile and exposure;

D) **Others**

a) To consider any related party transaction and conflict of interest situation that may arise within the Group and the Company including any transaction, procedure or course of conduct that concern the management integrity;

b) To verify the allocation of Employees' Share Option Scheme ("**ESOS**') in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any; and

c) To consider other topics or subject matters as defined by the Board.

II) **Nomination Committee ("NC")**

The NC oversees matters relating to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director as well as identify candidates to fill board vacancies, and nominating them for approval by the Board. The NC also reviews and recommends to the Board corporate governance principles to be implemented for the Group, in compliance with the MCCG.

The duties and responsibilities of NC are as follows:

a) review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, time commitment and length of service) of the Board and Board Committee as well as Senior Management at least annually; and make recommendations to the Board with regards to any adjustment that are deemed necessary.

b) to consider taking reasonable steps in ensuring that woman candidates are sought as part of the recruitment exercise and thereafter, to recommend to the Board for consideration if there is a suitable female candidate has been identified.

c) consider the election criteria and develop procedures for the sourcing and election of candidates to stand for election by the Company's shareholders ("Shareholders") or to fill casual vacancies of Directors. In identifying suitable candidates, the NC shall consider candidates on merit and against the objective criteria, with due regard for the benefits of diversity on the Board. The nomination and the election process should be disclosed in the Annual Report.

d) the Directors appointed or to be appointed should be able to devote the required time to serve the Board effectively and the Board should consider the existing Board positions held by a Director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the Company should be avoided.

e) identify and nominate candidates to the Board for it to recommend to Shareholders for election as Directors. Sufficient biographical details of nominated candidates shall be provided to the Board and Shareholders (as the case may be) to enable them to make an informed

decision.

f) the Company should disclose in its annual report how candidates for Non-Executive Director positions were sourced including whether such candidates were recommended by the existing board members, management or major shareholders. In making recommendations, the NC should seek professional advice from independent search firms, if necessary. If the selection of candidates was solely based on recommendations made by the existing board members, management or major shareholders, the NC should explain why other sources were not used.

g) determine the suitability and eligibility of nomination candidates for the approval of the Board, to fill Board vacancies as and when they arise as well as put in place plans for succession, in particular for the Chairman and Chief Executive as well as Senior Management of Company. If the NC determines that a Director, who has one or more of the relationships that could interfere with his exercise of independent business relationship judgment, is in fact independent, it should disclose in full nature of the Director's relationship and bear responsibility for explaining why he should be considered independent.

h) shall decide whether or not a Director is able to and has been adequately carrying out his/her duties as a Director, particularly when he/she has multiple board representatives.

i) assess annually the term of office and performance of the audit committee and each of its members to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.

j) In the case of candidates for the position of Independent Non-Executive Director, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions that are expected from an Independent Non-Executive Director. An Independent Director shall be a person who is not, and has not been within the last 3 years, an officer (except as an independent director) of the said Corporation. For this purpose, "officer" has the meaning given in Section 2 of the Companies Act 2016.

III) **Remuneration Committee ("RC")**

The RC is primarily responsible for recommending to the Board the remuneration of the Executive Directors, Non-Executive Directors and Senior Management in all its forms, drawing from outside advice if necessary.

The RC is also responsible for recommending to the Board the remuneration policies, principles and framework for the Company's Directors.

The duties and responsibilities of RC are as follows:

a) to review and recommend to the Board the remuneration policies, principles and the framework review the level of remuneration as it should be aligned with the business strategy and long-term objectives of the Company, demand and complexity of the Company's activities, reflect the experience and level of responsibilities undertaken by the Executive Directors, Non-Executive Directors and Senior Management;

b) review and assess on how best to measure the performance of the Directors and Senior Management;

c) review and assess on the procedure of payout and how it will be linked to performance of individual and the Company;

d) recommend to the Board in consultation with Management and the Chairman of the Board, any long term incentive schemes which may be set up from time to time and to do all acts necessary in connection herewith.

e) carry out its duties in the manner that it deemed expedient, subject always to any regulations or restrictions that may imposed upon the RC by the Board from time to time.

IV) **Risk Management Committee ("RMC")**

The primary objective of the RMC is to evaluate the Group's level of risk tolerance, assess and monitor risks, review the Company's internal controls and engage with Management to periodically test the adequacy and effectiveness of the risk Management and internal control system.

The duties and responsibilities of RMC are as follows:

a) review the adequacy and integrity, including effectiveness, of risk management and internal control systems, management information system, and the internal auditors' and/or external auditors' evaluation of the said systems and assess the resources

and knowledge of the management and employee involved in the risk management process.

b) review the risk profile of the Group (including risk registers) and the risk management team's plans to mitigate business risks as identified from time to time.

c) review and recommend risk management strategies and policies.

d) review and assess adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risk and the extent to which these are operating effectively.

e) ensure adequate infrastructure, resources and systems are in place for risk management.

f) review periodic reports from the management on risk exposure, risk portfolio composition and risk management activities.

J) Responsibilities of Company Secretary

The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board recognises the fact that the Company Secretary should be suitably qualified, competent and capable of carrying out the duties required of the post.

The key role of the Company Secretary is 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 roles and responsibilities of a Company Secretary include, but are not limited to the following:

a) Managing all Board and Committee meeting logistics, attend and record minutes of all Board and Committee meetings and facilitate Board communications;

b) Advise the board on its roles and responsibilities;

c) Advise the board on corporate disclosures and compliance with Company and securities regulations and listing requirements, as well as recommendations under the MCCG.

d) Facilitate the orientation of new directors and assist in Director Training and Development;

e) Manage processes pertaining to the annual shareholder meeting;

f) Monitor corporate governance developments and assist the Board in

applying governance practices to meet the board's needs and stakeholders' expectations; and

g) Serve as a focal point for stakeholders' communication and engagement on Corporate Governance issues.

5. BOARD PROCESSES

Board Meetings shall be conducted in a business-like manner where all Directors are encouraged to share their views and partake in discussions. No one person should dominate the discussion. The Chairman, assisted by the Company Secretary, shall play a mediator's role to maintain the order of the proceedings in a constructive, productive and effective manner.

i) Frequency

a) The Board should meet regularly, at least on a quarterly basis. Special Board meetings should be held in addition to the quarterly meetings as and when required. Prior notice of meetings will be given to all who are required to attend the meetings.

b) Board members are required to attend the Board meetings and attendance of each individual Director in the meetings held in a financial year is required to be disclosed in the Annual Report. Other senior officers may be invited to attend 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.

c) Additional formal business is dealt with as required, whether by physical, videoconferencing or telephonic meetings, as well as other electronic meetings allowed under the laws or the Company's Constitution. All resolutions, attendance, transactions, quorums and votes obtained through electronic means shall be deemed valid and effective unless it contravenes the requirements of relevant statutes and regulations.

d) All meetings of the Board will be conducted in accordance with the Constitution of the Company and applicable laws.

ii) Agenda & Meeting Papers

a) The notice of a Directors' meeting should be given in writing at least seven (7) days or deemed reasonable period prior to the meeting.

b) A well prepared board agenda will enhance the Board's productivity and strengthen its strategic and supervisory role. The Chairman, in conjunction with the Executive Director and the Company Secretary, shall undertake the primary responsibility for preparing the Board's agenda. The agenda shall include, amongst others, matters specifically reserved for the Board's decision, including key issues deliberated by the

Board Committees at their respective meetings which require the Board's notice, direction or approval, as updated by the chairman of the respective Board Committees.

c) As a matter of best practice and to allow ample time for Directors to consider the relevant information, Board papers and agenda items are to be circulated at least five (5) business days prior to the meeting. It is recommended that where there is a need to table a report, a brief listing of findings and/or recommendations is prepared.

iii) Minutes

The Board shall record its deliberation, in terms of the issues discussed, and the conclusions thereof in discharging its duties and responsibilities.

iv) Access to Information and Independent Professional Advice

All Directors (executive and non-executive) have the same right of access to all information within the Group whether as a full board or in their individual capacity, in furtherance of their duties and responsibilities as Directors of the Company, subject to a formal written request to the Chairman furnishing satisfactory and explicit justification for such request.

All Directors should have access to the advice and services of the Company Secretary. The Board should recognise that the Chairman is entitled to the strong and positive support of the Company Secretary in ensuring the effective functioning of the Board.

The full Board or in their individual capacity, in furtherance of their duties, shall be able to obtain an independent professional advice at the Company's expenses through an agreed procedure laid down formally.

Subject to prior approval of the Chairman, the cost of the advice will be reimbursed by the Company but the Director will ensure, so far as is practicable, that the cost is reasonable.

v) Directors' Induction & Training

a) The Company shall provide adequate training and orientation for new Directors with respect to the business, structure and management of the Group as well as the expectations of the Board with regard to their contribution to the Board and Group.

b) In addition to the Mandatory Accreditation Programme as required by Bursa Securities, Board members are also encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Company's operations and business. The Board, assisted by the NC and RC, shall on continuous basis assess and determine the training needs of the Directors and disclose in the annual report the trainings attended by the Directors. In special circumstances, valid justifications for non-attendance at any training by Directors for the

financial year shall also be disclosed.

vi) Directors' External Commitments and Conflict of Interest

a) The Company's Constitution stipulates that a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare his interest in accordance with the provisions of the Act. The Director concerned shall not participate in deliberations and shall abstain himself from casting his votes in any matter arising thereof.

b) Should there be an actual, potential or perceived conflict of interest between the Company or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, or a related company, the Director involved shall make full disclosure and act honestly in the best interest of the Company.

c) An actual, potential or perceived conflict of interest shall not necessarily disqualify an individual Director from the Board provided that full disclosure of the interest has been made in good faith and with due honesty.

6. INVESTOR RELATIONS AND SHAREHOLDERS' COMMUNICATION

a) The Board shall maintain an effective communications policy that enables both the Board and Management to communicate effectively with its Shareholders, stakeholders and the general public.

b) It is the role of the Board to ensure that general meetings of the Company are conducted in an efficient manner which serves as a crucial mechanism in shareholder communications. Key ingredients behind this include the supply of comprehensive and timely information to Shareholders and the encouragement of active participation at general meetings.

c) The Chairman shall take responsibility for addressing queries from Shareholders, stakeholders and analysts. In the performance of this responsibility, the Chairman shall be mindful of the regulatory requirements pertaining to price sensitive information.

d) ensures the timely release of financial results on a quarterly basis to provide shareholders and analysts with an overview of the Group's performance and operations in addition to the various announcements made during the year;

e) ensure that each item of special business included in the notice to be accompanied by a full explanation of the effects of the proposed resolution;

f) for election and re-election of Directors, ensures that the notice of meeting state which Directors are standing for election with a brief description to include matters such as age, relevant experience, list of directorships, date of

appointment to the Board, details of participation in board committee and the fact that a particular Director is independent;

g) ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the Board, Senior Management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders will be made visible to all meeting participants during the meeting itself.

h) The complete minutes of the general meeting will be published on the Company's website within 30 business day after the meeting.

i) The Group's website, www.arvex-my.com, provides easy access to corporate information pertaining to the Group and its activities and is continuously updated.

7. WHISTLEBLOWING POLICY AND PROCEDURE

To enhance corporate governance practices across the Group, a Whistleblowing Policy and Procedure was adopted which provides Directors, officers, employees and stakeholders of the Group with an avenue to report suspected improprieties such as illegal or unlawful conduct, contravention of the Group's policies and procedures, acts endangering the health or safety of any individual, public or employee, and any act of concealment of improprieties. The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, to the extent possible, be protected from reprisal, victimisation, harassment or subsequent discrimination.

8. ANNUAL PERFORMANCE EVALUATION OF THE BOARD, BOARD COMMITTEES AND INDIVIDUAL DIRECTORS

a) The Board, through the NC, will conduct an annual self-evaluation and/or peer evaluation on its effectiveness as a whole, each individual Directors and the different Committees established by the Board and facilitated by the Company Secretary.

b) The annual evaluations should not focus entirely on historical assessment of directors' performance but also include forward looking considerations, such as mapping current board competencies against those required, to drive the company's future strategies.

c) The Board may engage independent experts periodically to facilitate objective and candid Board evaluation.

9. CODE OF CONDUCT AND ETHICS

a) The Board shall formalise and commit to ethical values through the maintenance of a Code of Conduct and Ethics and ensure its implementation and compliance.

b) The Board should encourage employees to report genuine concerns in relation to breach of a legal obligation (including negligence, criminal activity, breach of contract and breach of law), miscarriage of justice, danger to health and safety or to the environment and the cover-up of any of these in the workplace.

c) The Board should ensure that its whistleblowing policies set out avenues where legitimate concerns can be objectively investigated and addressed. Individuals should be able to raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal.

10. ANTI-BRIBERY AND ANTI-CORRUPTION PROGRAMME

The Board shall ensure a sustainable anti-bribery and anti-corruption programme be implemented in the Company, which includes compliance with the Anti-Bribery and Anti-Corruption Policy and assign adequate resources to implement the anti-bribery and anti-corruption programme.

11. SUSTAINABILITY STRATEGIES

a) The Board together with Management takes responsibility for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets.

b) The Board takes into account sustainability considerations when exercising its duties including among others the development and implementation of Company strategies, business plans, major plans of action and risk management.

c) The strategic management of material sustainability matters will be driven by Senior Management.

d) The Board ensures that the Company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

e) Performance evaluations of the Board and Senior Management include a review of the performance of the Board and Senior Management in addressing the Company's material sustainability risks and opportunities.

f) The Board identifies the General Manager to provide dedicated focus to deliver, execute and monitor sustainability strategies and goals including the integration of sustainability considerations in the operations of the Company.

12. OTHER MATTERS

The Board Charter serves to delineate the mission, structure, scope and functions of the Board and duties of the directors. The Board Charter complements the Company's Constitution and the duties required by legislation and regulatory bodies, and do not replace the said requirements. Where ambiguity and/or

contradiction arises, the Company's Constitution, legislation and the regulations shall prevail over the contents of the Board Charter. The provisions of this charter are subject to such revisions by way of modification, addition or otherwise as the Company may from time to time consider fit.

13. REVIEW

This Board Charter is to be reviewed periodically by the Board or may be amended by the Board as and when it deems appropriate to ensure its relevance and effectiveness.

This Board Charter has been approved and adopted by the Board on 28 August 2026.