



IRIS GROUP BERHAD

Registration No. 202501015184 (1616599-X)
(Incorporated in Malaysia)

BOARD CHARTER

1. INTRODUCTION AND PURPOSE

The Board Charter outlines the governance structure, roles and responsibilities of the Board of Directors (“the Board”) of IRIS Group Berhad (“IRIS” or “the Company”) and its Group of Companies (“the Group”).

IRIS Board Charter incorporates the principles of good governance as set out in Malaysian Code on Corporate Governance (“MCCG”) issued by Securities Commission of Malaysia, guidelines and rules or regulations issued by other relevant regulatory authorities.

The Board shall review the Board Charter as and when required and update the Board Charter to ensure its relevance and compliance with any changes to regulatory requirements.

2. OBJECTIVES

The objective of this Board Charter is to provide guidance and clarity to all Board members on their roles, duties and responsibilities as Board members. Any conduct and decision made by members acting on behalf of the Company should not be seen as violating various legislations, regulations and overruling or pre-empt the statutory requirements. As an overview, the Board Charter covers the following:-

- (i) strategic guidance and effective oversight of the Management;
- (ii) the roles and responsibilities of the Board, each individual Director, the Chairman, the Group Managing Director, and the Management to facilitate their accountability to the Company, and its shareholders;
- (iii) the delegation of authority by the Board to various committees established in assisting the Board to execute its duties and responsibilities; and
- (iv) the operating procedures and practices pertaining to meetings, trainings and developments, code of conduct and declaration on conflicts of interest for the Board.

3. BOARD STRUCTURE

3.1 Board Balance and Composition

The Board should be of a size and composition that benefits from diverse perspectives and skills, conducive to effective decision making and effective discharge of its roles and responsibilities for the benefit of the Group and its business.

The Constitution of the Company provides for a minimum of two (2) Directors and a maximum of fifteen (15) Directors, and at any time, the number of Independent Directors should make up of at least two (2) or one-third, whichever is higher, of the Board; and one director of the Company is a woman, in accordance with Rule 15.02 of the Ace Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

3.1 Board Balance and Composition (Cont'd)

The Malaysian Code on Corporate Governance 2021's ("Code") Practice 1.4 states the Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

The composition and size of the Board are reviewed from time to time to ensure its appropriateness.

3.2 Appointments and Re-election

The Board appoints its members through a formal and transparent selection process which is consistent with the Board approved Constitution of the Company and the Fit and Proper Policy.

For Board appointment, members of the Board believe in providing equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender. The evaluation and selection criteria of a Director are very much dependent on the effective blend of knowledge, skills, competencies, experiences and time commitment of the new Board member.

New Board members are to be appointed by the appropriate recommendation of the Nomination Committee, subject to consideration and approval by the full Board. During the selection process, the Nomination Committee is required to engage a third-party to conduct screening and background checks on potential Board members, including at a minimum the following assessments:-

- Bankruptcy search; and
- Criminal record check.

The Company Secretary will ensure that all appointments are in compliance with applicable law and regulations.

Upon recommendation by the Nomination Committee and approval by the Board, the newly appointed Director shall be provided with a formal letter setting out the Director's duties, obligations, expected commitment, remuneration package and other entitlement.

Newly appointed Directors are expected to declare their time commitment to the Board. If they serve as a Director in other listed corporations, they must notify the Chairman of the Board or the Company Secretary before accepting any new Directorship. The Notification shall include an indication of time that will be spent on the new appointment.

The number of directorships in listed corporations held by any Board Member at any one time shall comply with the Listing Requirements of Bursa Securities.

3.2 Appointments and Re-election (Cont'd)

Appropriate induction programme for newly appointed Directors shall be carried out with appropriate assistance from the Management of the Company.

Clause 95.1 of the Constitution of the Company provides that every newly appointed Director be subjected to re-election at the Company's next Annual General Meeting ("AGM") subsequent to their appointment. Further, one third (1/3) of the Board shall retire from office and be eligible for re-election at every AGM, and all Directors shall submit themselves for re-election at least every three (3) years.

3.3 Independence of Director

Rule 1.01 of the Listing Requirements provides the definition of "Independent Directors" as a Director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company. Without limiting the generality of the foregoing, an independent director is one who:-

- (i) has not been within the last 3 years and is not an officer (except as an independent director) of the Company. For this purpose, "officer" has the meaning given in section 2 of the Companies Act 2016 ("the Act");
- (ii) is not a major shareholder of the Company;
- (iii) is not a family member of any executive director, officer or major shareholder of the Company;
- (iv) is not acting as a nominee or representative of any executive director or major shareholder of the Company;
- (v) has not been engaged as an adviser by the Company under such circumstances as prescribed by Bursa Securities or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the Company under such circumstances as prescribed by Bursa Securities;
- (vi) has not engaged in any transaction with the Company under such circumstances as prescribed by Bursa Securities or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation which has engaged in any transaction with the Company under such circumstances as prescribed by Bursa Securities; and
- (vii) has not served as an independent director in any one or more of the Company for a cumulative period of more than 12 years from the date of his first appointment as an independent director.

The Board via Nomination Committee assesses the independence of the Directors annually by taking into consideration of their disclosed interests and having regard to the criteria for assessing the independence of Directors under the annual Board Assessment. A separate assessment for Independent Directors is also undertaken annually.

3.4 Tenure of the Independent Director

The Code's Practice 5.3 states that 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 on the board subject to the director's re-designation as a non-independent director.

An independent director may be retained as an Independent Director after a cumulative term of nine (9) years, subject to:-

- (a) an assessment and recommendation of the Nomination Committee; and
- (b) the Board recommends with justification for annual shareholders' approval through a two-tier voting process.

As stated in paragraph 3.3 vii. above, the maximum tenure of an independent director is limited to twelve (12) cumulative years from the date of such person's first appointment as an independent director of the Company. Upon completion of twelve (12) years, an independent director may continue to serve on the board subject to the director's redesignation as a non-independent director.

3.5 Mandatory and Continuous Educational and Training

The Board shall ensure compliance of Bursa Securities Mandatory Accredited Programme ("MAP") for newly appointed Directors and assess further training programmes needs of the Directors on an on-going basis.

The Board shall adopt a continuous educational and training programme to update Board members relating to new developments of laws, regulations and other business and management related subjects, risks control and management subjects that may affect the Company's business and compliance requirements.

4. ROLES AND RESPONSIBILITIES

4.1 Board Overall Responsibilities

The Board assumes, amongst others, the following duties and responsibilities:-

- (i) reviewing and approving the relevant policies, the strategies and financial plans of the Group, and address the sustainability of the Group's businesses;
- (ii) overseeing the conduct of business of the Group;
- (iii) monitor financial performance including approval of the financial reports;
- (iv) reviewing the adequacy and the integrity of the framework and processes for internal controls, risk management, finance reporting and compliance;
- (v) ensure that appropriate processes are in place in respect of succession planning for appointments to the Board and to principal officers positions; and
- (vi) assume responsibility for good corporate governance.

4.2 Role of Individual Director

Directors are expected to comply with their legal, statutory and fiduciary duties and obligations when discharging their responsibilities as Directors. Broadly these include:-

- (i) acting in good faith and in the best interests of the Company as a whole;
- (ii) acting with care and diligence and for proper purpose;
- (iii) avoiding conflicts of interest with the Company in a personal or professional capacity;
- (iv) Refraining from making improper use of information gained through the position of Director and from taking improper advantage of the position of Director; and
- (v) attending regular training programme in order to be apprised of changes in regulatory environment of which the Group is subjected to.

Each Director has a legal duty to act in the best interest of the Company. The Directors, collectively and individually, should be aware of their responsibilities to the shareholders and stakeholders for the manner in which the affairs of the Company and Group are managed.

Directors should consult a suitably qualified, experienced and competent Company Secretary and/ or the Chairman, as required for any clarifications on their responsibilities and duties and any dealings from which potential conflict of interest situation may arise.

Directors will keep all Board information, discussions, deliberations and decisions are not publicly known confidential and not use information gained through the Board for their interest, or their employers' interest.

4.3 Role of Chairman and Group Managing Director

The Chairman is elected by the Board members to provide leadership at Board level and represents the Board to the shareholders and other stakeholders. The Chairman is responsible for ensuring integrity and effectiveness of the Board and its committees.

The role of the Non-Executive Chairman and the Group Managing Director are distinct and separate to ensure there is a balance of power and authority and to promote accountability and facilitates division of responsibility between them. The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board, while the Group Managing Director has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions.

The Group Managing Director is responsible to ensure due execution of strategic goals, effective operation within the Company, and to explain, clarify and inform the Board on matters pertaining to the Company.

In the absence of the Chairman in any meeting, the remaining present members shall elect one (1) of themselves to chair the meeting in accordance with the provisions set out in the Constitution.

4.3 Role of Chairman and Group Managing Director (Cont'd)

The responsibilities of the Chairman, amongst others, are as follows:-

- (i) providing leadership for the Board so that the Board can perform its responsibilities effectively;
- (ii) lead the Board in establishing and monitoring good corporate governance practices in the Company and the Group;
- (iii) facilitate all Board meetings and ensure the appropriate level of interaction among Board members, subsidiary Board members and the Management;
- (iv) ensure all pertinent matters for the smooth operation of IRIS's business are included on the Board meeting agenda;
- (v) ensure a balance composition of skills, knowledge and experience within the Board and effective working, reporting and communication mode;
- (vi) ensure that material matters in respect of the business or governance of the Company or the Group are tabled and ventilated effectively for Board decision making;
- (vii) maintain a regular and constructive dialogue with the Management in respect of all material matters affecting the Company and the Group and to consult with the other Board members promptly and appropriately;
- (viii) ensure effective communication with stakeholders is established and that their views are conveyed to the Board as a whole; and
- (ix) chair all meetings with the shareholders i.e. Annual General Meeting/ Extraordinary General Meeting.

The responsibilities of the Group Managing Director, amongst others, are as follows:-

- (i) develop and implement corporate strategies for the Company and the Group;
- (ii) supervise heads of sub business units and departments who are responsible for all functions contributing to the success of the Group;
- (iii) ensure efficiency and effectiveness of the operation for the Company and the Group;
- (iv) assess business opportunities which are of potential benefit to the Company and the Group;
- (v) escalate and update the Board with material and relevant information in an accurate and timely manner.

As the Company and Group are expanding its businesses, the division of authority is constantly reviewed to ensure that the efficiency and performance of the Company and the Group remain at its level best.

4.4 Roles of the Management

The responsibilities of the Management. In general, are: -

- (i) developing and proposing for the Board's approval, strategic plan and annual budget for the Company and the Group to ensure achievement of the objectives set by the Board;
- (ii) communicating to the staff and implementing the strategic plan approved by the Board and any decision of the Board to ensure that the objectives of the Company that were approved by the Board are met;
- (iii) running and managing the operations of the Group in a proper manner and in accordance with the Board's approved strategic plan within the authority limit set by the Board;
- (iv) setting up an appropriate and effective risk management framework. Identifying, assessing key risks, managing and monitoring key risks;
- (v) assisting the Board in establishment of the Company or the Group's policies by developing such policies for the Board's review and approval for the Company and the Group's adoption and implementing the approved policies;
- (vi) developing effective management information system;
- (vii) developing internal control systems of the Company to ensure that integrity and adequacy of the systems are intact;
- (viii) 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 in order to enable the Board to discharge its responsibilities effectively; and
- (ix) reporting to the Board on matters that required their decision/ approval or of significance to the Company and the Group.

4.5 Dynamic Interaction and Open Communication between the Board and the Management

There must be a strong trust based relationship between the Board and the Management, with the Board constructively challenging, and, at the same time supporting the Management, and the Management in turn should report in a similar manner.

The Board must be furnished with sufficient information, analysis and options in making decisions. The Board may, if necessary, seek independent professional advice at the Company's expense.

The Board and the Management must have at least one dedicated session annually to challenge and debate strategic issues with the Management. The session shall not held during the scheduled board meeting dates to enable the Board to be focused on strategic issues.

4.6 Internal Control and Risk Management

The Board oversees, reviews and monitors the operation, adequacy and effectiveness of the Group's risk management and internal control system.

The Board via Risk Management & Sustainability Committee defines the risk appetite, approving and overseeing the operation of the Group's Enterprise Risk Management framework, assessing its effectiveness and reviewing any major/ significant risk facing the Group.

4.6 Internal Control and Risk Management (Cont'd)

The Company outsourced its internal audit function to a firm of consultants which provides the Board with the level of assurance required on the adequacy and integrity of the system of internal control. The internal audit function adopts a risk-based approach and prepares its audit strategy and plan based on the updated risk profile of the Company.

The Board via Risk Management & Sustainability Committee considers the report from the internal audit function and the Management's responses, before reporting and making recommendations to the Board in strengthening the risk management and internal control systems.

5. DIRECTORS' REMUNERATION

The policy adopted on Directors' remuneration by the Company is to provide the remuneration packages necessary to attract, retain and motivate Directors of the quality required to manage the business of the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved.

The level of remuneration for the Executive Directors is determined by the Remuneration Committee after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.

6. BOARD COMMITTEES

6.1 The Board may from time to time establish Committees as is considered appropriate to assist in carrying out its duties and responsibilities.

- (i) Audit Committee ("AC")
- (ii) Risk Management & Sustainability Committee ("RMSC")
- (iii) Nomination Committee ("NC")
- (iv) Remuneration Committee ("RC")

6.2 Independent and Non-Executive Director plays a crucial role in leading these Committees. Details of the membership and summaries of each committee's Term Of Reference ("TOR") are available on IRIS website and annual report.

6.3 Each Committee is tasked with reviewing specific matters and providing the Board with findings and recommendations. However, the Board retains ultimate accountability for all final decisions.

6.4 To safeguard objectivity and independence, Committee meetings are conducted separately from the main board meetings.

7. 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. The Chairman shall lead the meeting to maintain the order of the proceedings in a constructive, productive and effective manner.

7.1 Frequency

The Board shall meet regularly, at least four (4) times based upon a schedule set on a yearly basis. Special Board Meetings shall 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.

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. The Management 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.

Additional formal business is dealt with as required, whether by physical video conferencing or telephonic meetings, as well as other electronic meetings allowed under the laws of 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.

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

7.2 Agenda and Meeting Papers

The notice of a Directors' meeting shall be given in writing at least seven (7) days prior to the meeting.

A 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.

As a matter of best practice and to allow ample time for Directors to consider relevant information, Board papers and agenda items are to be circulated at least seven (7) 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. Any Director may request for inclusion of any matter in the agenda for a particular Board meeting. The request must be sent 10 days before the meeting for the Chairman's approval.

7.3 Convening a Board Meeting

The quorum necessary for the transaction of business of the Directors shall be fixed by the Directors from time to time and unless so fixed, the quorum shall comprise two (2) Directors.

Questions arising at any Board meeting shall be decided by a majority of votes, each Director having one vote and in case of an equality of votes, the Chairman shall have a second or casting vote except when only two Directors are present and form a quorum or only two are competent to vote on the question at issue, the Chairman shall not have a casting vote.

7.4 Minutes

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

7.5 Access to Information and Independent Professional Advice

All Directors (Executive and Non-Executive) have the same right of access to all information pertaining to the Company whether as a full Board or in their individual capacity, in furtherance of their duties and responsibilities as Directors of the Company. The Management shall supply accurate and complete information to the Board in a timely manner to enable the Board to discharge its duties effectively.

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

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.

8. COMPANY SECRETARY

The appointment or removal of Company Secretary or Secretaries shall be prerogative of the Board as a whole. The Company Secretary or Secretaries appointed shall be suitably qualified under the Companies Act 2016 and be competent to provide support to the Board and the Committees in carrying out the responsibilities and duties, such as ensuring Board procedures are followed and the applicable rules and regulations are complied with and all matters associated with the Board and the Committees are efficiently carried out.

9. SHAREHOLDER AND STAKEHOLDERS COMMUNICATION

The Board acknowledges the need for effective shareholders and stakeholders communication to provide them with material information affecting the Company on a timely manner. In this regard, the Board complies with continuing disclosure requirements under the Listing Requirements by Bursa Securities.

Corporate disclosure is facilitated by a number of formal channels used to inform shareholders about the performance of the Company and the Group. These include the Annual Report quarterly financial reports and any announcements made through Bursa

Securities. The Company also brief the shareholders on the business and operations in the Annual General Meeting. These information is also available on the Company's website.

10. CODE OF CONDUCT AND ETHICS

The Company's Code of Conduct and Ethics outlines the principles and standards of business ethics and conduct of the Group and this Code of Conduct and Ethics is to be observed by all employees and Directors of the Group.

The Code of Conduct and Ethics are regularly reviewed to ensure that it continues to remain relevant and appropriate. The Code of Conduct and Ethics is made available for reference by all employees and Directors of the Group on the IRIS intranet.

11. REVIEW OF BOARD CHARTER

The Board Charter will be reviewed by the Board as and when required and updated in accordance with the needs of the Company and any new regulation that may have an impact on the discharge of the Board's responsibilities.

Approved by the Board on 6 January 2026.