

EMGS BOARD CHARTER ("BOARD CHARTER")



BOARD CHARTER

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Introduction

Education Malaysia Global Services (EMGS) was established in April, 2012, as a non-profit public company limited by guarantee. EMGS's role is to promote Malaysia as a global education hub and to encourage internationalisation of Malaysian Education through building relationship that benefits Malaysia and its partners.

This Board Charter is intended to provide a basis for good corporate governance in boardroom activities as well as to formalise the various roles and responsibilities of EMGS's Board of Directors, Board Committees and individual Directors of EMGS. The aim is to streamline and enhance corporate governance in line with EMGS's values and objectives. Whilst the Charter serves as a structured guide, it is not intended to be, nor should it be construed as exhaustive.

Interpretation in this Charter

Terms	Description
'Board'	means the Board of Directors
Committee	means committees established by the Board of Directors from time to time including Audit Committee and Nomination Committee;
CEO	means the principal officer of the EMGS
Constitution	means the Constitution of EMGS
Secretary	means the secretary to the Board of Directors or the person normally exercising the functions of the secretary to the Board of Directors as defined in the Companies, Act 2016
EMGS	means Education Malaysia Global Services
Chairman	means the Chairman of the Board of Directors and is used in a gender neutral sense.
Deputy Chairman'	mean those persons holding offices within EMGS from time to time
Committee Chairman'	mean those persons holding offices within EMGS from time to time
Working Days	mean days which banks are opened for business in Malaysia
Management	means the management personnel of the EMGS

And Reference to the word 'he' shall include the female gender unless otherwise stated.

Objective

The Board Charter (Charter) sets out the role, composition and responsibilities of the Board. The Charter also outlines the role and responsibilities of the CEO, Company Secretary and also the primary committees that are established to assist the Board in its oversight function.

Core Values

Integrity, Accountability, Transparency and Sustainability.

Mission

The Head of EMGS IGU in consultation with relevant key management personnel of EMGS shall introduce guidelines and advisory pertaining conflict of interest declaration, which shall be abided by all.

To make Malaysia the destination for education. To internationalise Malaysian Education

To provide a broad range of services relating to Malaysian Education

Vision

EMGS will provide “thought leadership” through applied research, articles and commentaries; membership; education and training to create greater awareness of corporate governance best practices with its members and the public.

Benefit from EMGS Stakeholders

EMGS would add value to the stakeholders through networking and collaboration and presence.

1.0 EMGS Board of Directors

1.1. Role of the Board

- 1.1.1. The primary role and responsibility of EMGS’s Board of Directors (the Board) is the furtherance of EMGS’s objectives, which include the following:
- 1.1.2. Promoting EMGS’s purpose and objects;
- 1.1.3. Promoting EMGS’s purpose and objectives;
- 1.1.4. Raising the profile of the EMGS locally and abroad;
- 1.1.5. Safeguarding the EMGS’s interests and assets;
- 1.1.6. Ensuring the EMGS’s financial and non-financial performance is healthy, sound and adequately monitored at all times and serves to promote the sustainability of the EMGS;
- 1.1.7. Approving policies governing the operations of EMGS, including policies to regulate and control the recognition and adoption of risk of all kinds by EMGS, and the adoption and monitoring of an effective system of internal controls;
- 1.1.8. Managing and monitoring the appointment of and succession planning for positions on the Board and the position of CEO;
- 1.1.9. Providing advice and guidance to the CEO;
- 1.1.10. Ensuring EMGS’s business is conducted ethically and transparently at all times; and
- 1.1.11. The Board may establish such committees of the Board as it deems to be appropriate to give effect to its role and responsibilities.

1.2. Role of the Chairman

- 1.2.1. The Chairman’s responsibilities include:
 - i. providing appropriate leadership to the Board;
 - ii. facilitating the Board discussions to ensure the principal issues are adequately addressed, including the setting of the agenda and ensuring the availability of all necessary information and advice (including third party advice when appropriate) in consultation with the EMGS CEO;
 - iii. maintaining a regular dialogue with and providing advice and guidance to the CEO; and
 - iv. monitoring Board performance.

1.3. Role of the EMGS’s CEO

The CEO, who shall be the principal officer of the EMGS, is responsible for the overall management of EMGS in accordance with the strategy and policies approved by the Board. The CEO serves as a conduit between the Management and the Board and is responsible for the effective implementation of the EMGS’s strategic plan and policies established by the Board, besides managing the daily operations of the EMGS.

- 1.3.1. Generally, the CEO, is responsible to the Board for the following:
 - i. achievement of EMGS’s goals and observance of Management authorities delegated by the Board;
 - ii. developing long-term strategic and short-term business plans, designed to enable the EMGS’s requirements for growth and profitability are achieved; directing and controlling

- iii. every aspect of EMGS's business operations, on a day-to-day basis in a cost-effective manner;
- iv. providing assistance to members of the Board and the Board Committees, as required, in discharging their duties; and
- v. assisting the Chairman in organising information necessary for the Board to deal with the agenda and for providing such information to Directors on a timely basis.

The Board shall receive the following from, or through, the CEO at its scheduled meetings:

- a. reports on the performance and activities of the EMGS for the period under review, including explanations of significant fluctuations over the period; and
- b. where appropriate, a briefing pertaining to risk management issues, challenges faced by the EMGS, changes to legislation that may affect the EMGS's operations, litigations and other salient events or issues affecting the EMGS.

1.3.2. The CEO shall act within all specific authorities delegated to him by the Board.

1.4. EMGS Secretary

1.4.1. The appointment and removal of the EMGS Secretary is a matter for the Board as a whole. The EMGS Secretary shall be suitably qualified and capable of carrying out the duties required of the post.

1.4.2. The EMGS Secretary is expected to provide impartial and comprehensive advice and services to the Directors, as and when needed, to facilitate the effective functioning of the Board and ensure both regulatory compliance and good corporate governance practices are followed.

1.4.3. The primary responsibilities of the EMGS Secretary shall include the following:

- i. ensuring that the Board's procedures and applicable rules are observed;
- ii. maintaining records of the Board and Board Committees and its respective meetings and ensuring effective management of the EMGS's records;
- iii. preparing comprehensive minutes to document the Board and Board Committee proceeding and ensure conclusions are accurately recorded;
- iv. timely dissemination of information relevant to Directors' roles and functions and keeping them updated on new or evolving regulatory requirements; and
- v. carrying out other functions as deemed appropriate by the Board from time to time.

1.5. Board Structure

1.5.1. Board Composition and Size

The Board, having taken account of any recommendations from its Nomination Committee, shall examine and determine the composition and size of the board periodically in relation to the effective running of the EMGS's activities, with reference to the Constitution.

1.5.2. Appointment of new or additional Directors

Nominations of new or additional Directors are first considered by the EMGS Nomination Committee, which makes recommendations to the Board of Directors, based on its Terms of Reference and after taking into account the range of skills and experience required in relation to:

- i. the nature of EMGS's business;
- ii. the current composition of the Board;
- iii. the need for independence;
- iv. the strategic directions of EMGS;
- v. leadership ability, experience, academic and professional qualifications, and

other personal skills and attributes of the individual;

- vi. any relevant issues of diversity in the Board membership; and any relevant issues of industrial or geographic balance.

1.5.3. Board Diversity Policy

1.5.3.1. Purpose

The Board Diversity Policy (the 'Policy') sets out the approach to diversity on the Board.

1.5.3.2. Scope

The Policy applies solely to the Board and does not extend to cover diversity in the EMGS's recruitment practices of other EMGS personnel.

1.5.3.3. Policy Statement

The Board advocates a genuinely diverse Board, which incorporates differences in the skills, regional and industry experience, background, race, gender and other qualities of Directors. Such differences will be considered in determining the optimum composition of the Board, and directing the Nomination Committee when necessary, with a view to achieving appropriate Board balance.

The EMGS's Objectives and Core Values are taken into consideration in the application of this Policy. The strategic intention is the attraction, retention and development of a diverse team of skilled people towards achieving the EMGS's goals and implementing its strategy, with a focus on the following:

- i. Identifying and creating the optimal balance of skills and industry experience, background and gender of Directors;
- ii. Retaining Directors based on performance and merit, in the context of skills, time commitment and experience, in promoting the Board effectiveness; and

Subject to the Board's directives, the Nomination Committee will review and assess the Board's composition and mix and make recommendations to the Board on the appointment of new Directors. The Committee has the following responsibilities:

- a. to recommend candidates for appointment based on merit and the absence of prejudice, whilst also considering the advantages of diversity in the Board composition;
- b. to consider the mix of skills, experience, independence, knowledge and the diversity of their presence on the Board, as part of the annual performance evaluation of the effectiveness of the Board, Board Committees and individual Directors; and
- c. to develop measurable objectives to implement the Policy and for monitoring progress towards the achievement of these objectives.

1.5.3.4. Measurable Objectives

On an annual basis, the Nomination Committee will discuss appropriate measurable objectives for achieving diversity on the Board and recommend them for adoption.

1.5.3.5. Monitoring and Reporting

EMGS's Annual Report will include a summary of this Policy, the measurable objectives set for implementing the Policy and progress made towards achieving those objectives.

1.5.3.6. Review of the Policy

The Nomination Committee will review and assess the effectiveness of the Policy as and when requested by the Board and make appropriate recommendations for revisions to be approved by the Board.

1.5.4. Removal of Directors

In the absence of an official complaint lodged against a Director, the removal of an EMGS Director should first be considered by the Nomination Committee, which will make recommendations to the Board, and the Board will make the ultimate decision. In the event of an official complaint being lodged against a Director, the disciplinary process provisions of EMGS's Board Code of Conduct and Ethics will be followed.

Subject to such other provisions of this Charter as may be applicable, or as may otherwise be provided in any subsisting and superior agreement by which EMGS is bound, the office of a member of the Board shall be vacated, if:

- i. a receiving order is made against the member or any corporate entity in which the member is a director, or the member or any corporate entity in which the member is a director makes any arrangement or composition with his/its creditors; or
- ii. the member is found to be of unsound mind;
- iii. a resolution is passed by a majority of the other Board members that the member be requested to vacate his office and by virtue thereof the member is deemed to have vacated his office; or
- iv. the member is convicted of a felony; or
- v. the member resigns his office by written notice to the EMGS;
- vi. the member refuses or is unfit to act, or is incapable of acting or acts in a manner which is not in accordance with the applicable policies of the EMGS, or is detrimental to or adversely affects the reputation, standing or interests of the EMGS, and the members in General Meeting resolve that the member be removed from his office

1.5.5. Size of the Board

The Board of Directors shall have power to appoint additional Board Members from time to time, always provided that the total number of its members shall not exceed the prescribed maximum as per the EMGS Constitution.

1.5.6. Term of Appointment (as per the EMGS Constitution)

A newly appointed Board Member shall hold office only until the next following next Annual General Meeting of the EMGS, at the close of which he or she shall retire, but at which he or she shall be eligible for re-election.

Once re-elected, a Board Member's term is three (3) years. After the three (3) years, he or she can offer himself or herself for re-election again.

1.6. Office Bearers

The officer bearers of the EMGS Board, who shall be appointed by the Board, shall be:

One Chairman;

One Deputy Chairman

All office bearers shall hold office for one year only and shall retire as such at the close of the next Annual General Meeting, and may offer themselves for re-election as an office bearer under Article 63 at a meeting of the Board to be convened immediately following the closure of such Annual General Meeting.

1.7. Evaluation of Board Performance

Annually, the Chairman will, with the assistance of the Nomination Committee if deemed necessary, facilitate an evaluation of the Board's performance. This will include discussions both collectively and individually about:

- i. the Board's role, its processes and performance;
- ii. the Board's group dynamics;

- iii. the role and performance of individual/member of the Board; and
- iv. other relevant issues.

1.8. Board Meetings

- 1.8.1. The Board will meet regularly, at least four (4) times a year. Directors will use all reasonable endeavours to attend the Board meetings.
- 1.8.2. The EMGS Secretary shall prepare and distribute to all Directors in advance a timetable for the meetings for the year. The EMGS Secretary shall work together with the Chairman in developing the meeting agenda.
- 1.8.3. Except in the cases of an emergency and with the approval of the Chairman, five (5) working days' notice of every Board meeting will be provided in writing. Notices may be sent to the Directors by electronic mail.
- 1.8.4. Other senior officers may be invited to attend meetings for particular items within their responsibility. The Board may also invite external parties such as the auditors, solicitors and consultants as and when needed. All matters to be deliberated upon at any meeting of the Board shall be decided by a majority of votes, with the Chairman having a casting vote if required to break a deadlock.
- 1.8.5. Directors may participate in a meeting of Directors by means of telephone and/or video conference or by other means of real time communication. The physical presence of Director(s) is not compulsory and participation in the meeting in the aforesaid manner shall constitute presence in person at such meeting and shall be counted in determining the quorum for such meeting.

1.9. Agenda

The Chairman, in conjunction with the CEO and the EMGS Secretary, shall assess the type of information to be provided to the Board and the content of the agenda. The agenda shall include, amongst others, matters specifically reserved for the Board's decision. The Board shall have recorded in an appropriate manner its deliberation, in terms of the issues discussed, and the conclusions thereon, in discharging its duties and responsibilities.

1.10. Meeting Papers

- 1.10.1. To allow sufficient time for Directors to consider the relevant information, the agenda and Board papers are to be circulated at least five (5) working days, or shorter period when approved by the Chairman, prior to the meeting. Where there is a need to table a report, a brief statement of findings and/or recommendations is also to be prepared and circulated.
- 1.10.2. Minutes are prepared following a Board meeting. The draft minutes should be sent to the Directors within five (5) working days of the Board meeting for comment and amendment, and will be tabled at the following meeting for confirmation and signing.

1.11. Access to Information

All Directors shall have unrestricted access to Management and to information pertaining to the EMGS, including access to the EMGS's auditors, other professional advisers and consultants, relevant to the furtherance of their duties and responsibilities as Directors of the EMGS.

1.12. Independent Professional Advice

- 1.12.1. In discharging their duties, each member of the Board is entitled to obtain independent professional advice at the cost of the EMGS.
- 1.12.2. Where such advice is considered necessary for the discharge of his duties and responsibilities as a Director and is for the benefit of the EMGS, such Director shall first discuss the circumstances with the Chairman and, having done so, shall be free to proceed, where appropriate.

1.13. Directors' Training

1.13.1. Directors are required to attend relevant training courses/seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of Directors, and to corporate governance best practices generally.

1.13.2. All training events attended by Directors shall be reported to the CEO and EMGS Secretary and disclosed in the Annual Report. In special circumstances, valid justification for non-attendance by Directors at any training organised by the EMGS during the financial year shall also be disclosed.

1.14. Role of Individual Directors

1.14.1. Participation in Board Meetings

Directors have a duty to question, request information, raise issues of common and individual concern, having consulted with fellow Board members, EMGS members and other stakeholders as necessary and acquiring such third-party advice as is relevant, and cast their vote according to their own independent judgment. Directors will keep confidential board discussions, deliberations and decisions.

Confidential information received by a Director in the course of the exercise of his duties is and remains at all times the property of EMGS and it is improper to disclose, or allow to be disclosed, such information unless that disclosure has been properly authorised, or is required by law.

1.14.2. Legal Obligations

In accordance with legal and statutory requirements, Directors will:

- i. discharge their duties as Directors in good faith and act honestly, with integrity and probity at all times in the interests of EMGS, the members and potential stakeholders of EMGS, and with the level of skill and care expected of directors of a non-profit organisation;
- ii. act with care and diligence, demonstrating fairness and equity in their decisions;
- iii. not compete with EMGS in any manner whatsoever;
- iv. not make improper use any intellectual property belonging to EMGS, or of any information or data belonging to EMGS or gained through their position as a Director;
- v. not take improper advantage of the position of a Director;
- vi. not allow personal interests, or the interest of any associate, to conflict with the interests of EMGS; and
- vii. not engage in any commercial arrangement with EMGS without the consent of the Board.

Directors must ensure that adequate controls are in place to oversee the exercise of such powers as are delegated to the EMGS management.

Directors do not participate in the day-to-day management of EMGS but may, with the consent of the Chairman and the Board, be engaged in special Board committees established from time to time. Consequently, representations or agreements with members, service providers, both professional or otherwise, suppliers or other parties as part of the operations of EMGS are made by management.

1.14.3. Conflict of Interest and Directors' External Commitments

Directors are required to continually monitor and disclose any actual or potential conflict of interest that may arise. A Director must:

- disclose to the Board any interest whatsoever, whether direct or indirect in a contract or proposed contract with the EMGS, and shall declare the Director's interest in accordance with the Companies Act 2016. The Director concerned shall not participate in deliberations concerning such contract and shall abstain from casting any vote in respect of any matter arising there from unless otherwise provided for in the Companies Act 2016;

- disclose to the Board any actual or potential conflicts of interest that may exist as soon as the situation arises;
- take necessary and reasonable steps to resolve any conflict of interest within an appropriate period if required by the Board; and
- comply with the Companies Act 2016 requirements about disclosing interests and restrictions on voting.

The Board will determine whether or not Director(s) declaring a conflict should remain in the room when the Board discusses matters to which the conflict relates.

It is expected that Director(s) will discuss with the Chairman any proposed Board or executive appointments they are considering undertaking and should advise EMGS of such appointments to other companies/organisations as soon as possible after the appointment is effective.

1.15. Related Party Transactions

Related party transactions, including any financial transaction between a Director or officer of EMGS and the EMGS must be reported to the Chairman immediately and disclosed at next Board meeting, and the Director must obtain the prior approval in writing of the Chairman or the Board if deemed appropriate by the Chairman.

1.16. Annual Declaration by Directors

The EMGS Secretary shall facilitate annual independence, conflict of interest and related party transaction declarations by the Directors, and it shall be a mandatory duty of each Director to provide such an annual self-declaration on independence, conflict of interest and related party transactions.

1.17. Dealing with External Stakeholders (see also Section 2.4)

Generally, communication with the media and public on EMGS related issues will be undertaken in the following order:

- i. by the EMGS Chairman;
- ii. other Officer Bearers and
- iii. CEO;

Other Directors may provide external commentary on behalf of EMGS, including media commentary and interviews, only when specifically authorised by the Chairman and only in engagements organised by the CEO. Any other personal commentary made by Directors to third parties must respect the overriding responsibility to respect the confidentiality of all matters related to the EMGS and the deliberations of the Board.

1.18. Remuneration for Directors

Directors are expected to serve without remuneration. However, the Board Members shall be paid such traveling, hotel or other expenses as may be reasonably incurred by them in the execution of their duties (as per the EMGS Constitution).

2.0 Key Functions Of EMGS Board Of Directors

2.1. Operational Role of the Board of Directors

A critical role of the Board is to manage the business of the EMGS through the CEO. The other operational roles include:

Regulating the mode, terms and conditions of admission, suspension and exclusion of members; Fixing fees, subscriptions, due or any other sums payable;

Regulating the mode and procedure of meetings, voting and election of office bearers;(d) Regulating the disposal of monies and property of the EMGS;

Generally exercising all powers of the EMGS that are required to be exercised by the EMGS itself or in general meeting, as determined by the EMGS's Articles or by law.

2.2. Review of the Charter

The Board will review this Charter and the Terms of Reference of Board Committees at least every two years to ensure they remain consistent with the Board's objectives, responsibilities and relevant current standards of corporate governance.

2.3. Board Committees

To assist it in carrying out its responsibilities, the Board has established or may establish standing committees and special purpose committees comprised of Directors as determined by the Board and, at the discretion of the Board, such other persons as are considered to possess relevant specialist expertise and experience.

Each Committee has its own terms of reference in writing, and approved by the Board, detailing its roles and responsibilities, structure and composition.

Such committees are:

- i. Nomination Committee;
- ii. Audit Committee

2.4. Media Protocol (see also Section 1.17)

The EMGS Chairman followed by other Office Bearers and the CEO have primary responsibility for acting as spokespersons. The CEO will manage all media communications, including initiating and managing an effective communications plan and responding to media enquiries. Unless preapproved by the Chairman or the CEO, Directors should not comment publicly on EMGS or related matters. If approached for comment, Board members should state that they are speaking in a personal capacity, unless given authority to comment on behalf of EMGS.

2.5. Board Code of Conduct and Ethics

EMGS is governed by a Board of Directors. The Board is accountable for the performance of EMGS and its good governance and the development of sound policies to enable EMGS to achieve its vision, mission and primary objectives.

The standards of conduct and behaviour of EMGS directors in Malaysia are prescribed by the Companies Act 2016. They are also regulated by the common law and other legislation on topics relevant to companies, including taxation law, competition and consumer law and insolvency law. EMGS believes that such standards apply to its Board and its individual Directors to the fullest extent relevant to the EMGS. Accordingly, EMGS has developed its own Code of Conduct and Ethics for the Board. It is published as a separate document but is nonetheless regarded as an integral part of this Charter.

The principles of the Code of Conduct and Ethics are that:

- i. Directors must act in good faith and in the best interests of EMGS;
- ii. Directors must act with honesty, integrity and probity at all times and must not act in a manner which is adverse or detrimental to the interests and objectives of the EMGS or diminishes the reputation or standing of the EMGS;
- iii. Directors must act fairly and impartially in all matters;
- iv. Directors must use any and all information belonging to the EMGS only for the purposes of the EMGS and never for personal or commercial benefit;
- v. Directors must exercise due care, diligence and skill in the conduct of their duties;
- vi. Directors must comply with the law, EMGS's Board Charter, the Code of Conduct and Ethics and the EMGS's policies and procedures, including the provisions of the EMGS's Whistle- Blowing Policy;
- vii. Directors should avoid any circumstance which is, or could become in conflict with the interests of the EMGS, including any related party transaction, and must disclose such circumstances to the EMGS and obtain requisite approval from the Board of Directors.