



BOARD CHARTER

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Chin Well
HOLDINGS BERHAD
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1. INTRODUCTION

The Board of Directors (“Board”) of Chin Well Holdings Berhad (“the Group”) fully appreciates the importance of adopting high standards of Corporate Governance within the Group.

The Board views corporate governance system as synonymous with the key concepts of transparency, accountability as well as corporate performance.

All Board members are expected to have professionalism and integrity in carry out their duties and responsibilities. All Board members are responsible to the Group for achieving a high level of good corporate governance.

This Board Charter shall constitute and form an integral part to guide the conduct of the Board and the Group.

2. OBJECTIVES

The objectives of this Board Charter are to ensure that all Board members are aware of their duties and responsibilities and have applied the principles of good Corporate Governance in all of their conduct.

This Board Charter is not an “all inclusive” document and should be read as a broad expression of principles. The Board Charter will be reviewed on a periodic basis and may be amended by the Board from time to time.

3. ROLES AND RESPONSIBILITIES

3.1 Board Roles and Responsibilities

- i) In discharging its responsibilities and facilitating its ongoing oversight of the Group the Board assumes the following duties:
 - a) Reviewing, approving and monitoring the overall strategic plan of Group;
 - b) Overseeing and monitoring the performance of the Management and business operation. Implement measures where performance could be assess;



- c) Establish the Group Vision and Mission and monitoring the Group performance is in aligned to it. Oversees the Group policies and operating procedures and delegates it to the Group Management to implement;
 - d) Formalise and commit to a Code of Conduct and Ethics and ensure it compliance with appropriate internal systems to support and promote it.
 - e) Reviewing and monitoring the risk management framework and determine whether they provide reasonable assurance that risks are managed within tolerable ranges. Reviewing the adequacy of internal control system. The review have to be done at least annually;
 - f) Monitoring the Group business operation in compliance with all relevant law and regulatory obligations.
 - g) Approving the Group major capital expenditure and acquisitions/divestures;
 - h) Approving and monitoring budgets.
 - i) Approving financial report to relevant regulatory.
 - j) Approving and determine dividend payments.
 - k) Approving policies relating to investors relations programme, shareholder communication and stakeholders communications;
 - l) Ensuring that appropriate succession plans are in place for the Group.
 - m) Approve the Audit Committee Report, Internal Control Statement and the Corporate Governance Statement for the Annual Report
- ii) The Board strives to follow the principles and best practices as stated in the Malaysian Code on Corporate Governance (“MCCG”).



- iii) The Board sets the Group's values and standards and ensures that its obligations to its shareholders and stakeholders are understood and met.

3.2 Chairman Roles And Responsibilities

- i) The Chairman is responsible for leadership of the Board in ensuring the effectiveness of the Board in all aspects. The function of the chairman is as follows:
 - a) Leading the Board oversight management and setting values and standards of the Group;
 - b) Ensure effective communication with shareholders and relevant stakeholders;
 - c) Arranging for regular evaluation of the performance of the Board, its Committees and individual Directors;
 - d) Ensure constructive relations be maintained between Executive and Non-Executive Directors;
 - e) Facilitating the ongoing training and continuing education programmes for all Directors.
- ii) Provides direction for issues discussed which are forward looking and concentrates on strategy
- iii) The chairman ensures that every Board resolution is put to vote.
- iv) Should the chairman be absent from a meeting, the members of the Board present at the meeting, may choose one of their member to chair the said meeting.

3.3 Executive Directors Roles and Responsibilities

- i) The Executive Directors is primarily accountable for overseeing the day-to-day operations to ensure the smooth and effective running of the Group operations.
- ii) The Executive Directors is responsible for the development and implementation of the strategies for the Group and setting the overall

strategic policy and direction of the Group's business operations based on effective risk management controls.

- iii) The Executive Directors ensure the Group carrying its business base on the Group Code on Conduct and Ethics and in compliance with the relevant laws and regulations.
- iv) The Executive Directors provides effective leadership to the Group and is responsible for ensuring high management competency and an effective management succession plan is in place to sustain continuity of operations.
- v) The Executive Directors implements the policies, strategies and decisions adopted by the Board. All Board authorities conferred to the Group management is delegate via the Executive Directors.

3.4 Independence Non-Executive Directors' Roles And Responsibilities

- i) Independent Non-Executive Directors provide independent judgement, experience and objectivity without being influence by business considerations.
- ii) Independent Non-Executive Directors ensure that for any decision the interests of all shareholders and stakeholders are taken into considerations by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

3.5 Committees Roles and Responsibilities

The Board appoints the following Board Committees:

- Audit Committee
- Nomination Committee
- Remuneration Committee

Independent and Non-Executive Directors play a leading role in these Committees. Management and third parties are co-opted to the Committees as and when required. The roles And responsibilities of each of the above Committees are set below.



3.5.1 Audit Committee

- i) The Audit Committee shall comprise at least three (3) Non-Executive Directors, a majority of whom must be Independent Directors.
- ii) The Audit Committee will elect an Independent Director from amongst them as its Chairman.
- iii) The functions of the Audit Committee are as follows:
 - a) To ensure that financial statements complied with applicable financial reporting standards;
 - b) To assess the suitability and independence of external auditors;
 - c) To review the audit plan, management letter and audit report from external auditor;
 - d) To ensure the adequacy on scope of work of internal auditor and that it has the necessary authority to carry out its work;
 - e) To review the internal audit plan and internal audit report and to ensure appropriate action is taken on the recommendations of the internal auditor;
 - f) Any procedure, transactions and conduct of business that rise towards conflict of interest for the Group;
 - g) To evaluate appointment, re-appointment and resignation of external and internal auditor.
 - h) To assess the performance of external auditor as well as the internal auditor on annual basis
 - i) To review, deliberate and evaluate the effectiveness and efficiency of the risk management and internal control systems in the Group.
- iv) The Audit Committee shall meet the external auditors, internal auditor without the presence of Executive Directors and Management.

Executive Directors and Management may attend the meetings only at the invitation of the Audit Committee.

3.5.2 Nomination Committee

- i) The Nomination Committee shall comprise at least three (3) Non-Executive Directors, a majority of whom are Independent Directors.
- ii) The Nomination Committee will elect an Independent Director from amongst them as its Chairman.
- iii) The function of Nomination Committee's are as follows:
 - a) Recommendation of candidates to the Board for appointments;
 - b) Evaluation of Board members appointment;
 - c) Review the composition of the Board and requirements on skills and core competencies for the Board discharging its duties effectively;
 - d) Develop, maintain and review the criteria to be used in the Board members recruitment process and annual assessment of Directors.
 - e) No gender diversity policy is set in the composition of the Board. However, in the process of undertaking and reviewing potential candidates for any vacancy on the Board, the Nomination Committee is mindful of various diversity factors in the Board composition to fulfill the current and future needs of the Board.
 - f) Reviewed and assessed the Independent Directors whose tenure is more than 9 years. However, the retention of Independent Directors after serving a cumulative term of nine (9) years shall be subject to approval of shareholders in line with the recommendation of the Malaysian Code on Corporate Governance 2012.



3.5.3 Remuneration Committee

- i) The Remuneration Committee shall comprise at least three (3) Non-Executive Directors.
- ii) The Remuneration Committee will elect an Independent Director from amongst them as its Chairman.
- iii) The function of Remuneration Committee's are as follows:
 - a) Establishing a formal and transparent procedure for developing policy on the total individual remuneration package of Executive Directors;
 - b) Reviewing and recommending to the Board the remuneration packages and other benefits of Executive Directors.

4 BOARD COMPOSITIONS AND PERFORMANCE

4.1 Board Balance

- i) The Board recognises the importance of ensuring a balance of power and authority. The Board consists of qualified individuals with diverse experiences, backgrounds and perspectives.
- ii) The Board strives for separation of position for Chairman and MD to be held by different individual. The responsibility of the chairman is leading the board in the oversight of management, while the MD focuses on the business and day-to-day management of the Group. If the chairman is not an independent Director, then the Board should comprise a majority of independent Directors to ensure balance of power and authority on the Board.
- iii) At least two (2) or one-third (1/3), whichever is higher, of the Board members must be Independent Directors.
- iv) Profiles of Board members are to be disclosed in the annual report of the Group.



4.2 Appointment

- i) The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination Committee.
- ii) The Directorships held by any Board member at any one time shall not exceed five (5) in listed companies.

4.3 Re-election

- i) All Directors are subject to retirement by rotation at least once in every three years and is eligible for re-election.

4.4 Assessment of Independent Directors

- i) The Board is to undertake an annual assessment on the independence of Independent Directors.

4.5 Tenure of Independent Director

- i) The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years.
- ii) The nine years can either be a consecutive service of nine (9) years or a cumulative service of nine (9) years with intervals.
- iii) Upon completion of nine (9) years an independent Director may continue to serve on the Board subject to the Director's re-designation as a non-independent.
- iv) The Board must justify and seek shareholders' approval in the event it retains as an independent Director, a person who has served in that capacity for more than nine years.



4.6 Time Commitment

- i) The Board should set out expectations on time commitment for when appointing its members. Directors should devote sufficient time to carry out their responsibilities. The Board should obtain this commitment from its members at the time of appointment. Directors should notify the chairman before accepting any new Directorship. The notification should include an indication of time that will be spent on the new appointment.
- ii) An annual meeting calendar is discussed and circulated to the Directors before the beginning of every financial year.
- iii) Each Director shall attend at least 60% of the total meetings held during the year. Directors may participate in the meeting by mean of a telephone/tele-conference or similar electronic tele-communicating equipment.

4.7 Directors Training and Continuing Education Programmes

- i) The Board members are to evaluate their own training needs on a continuous basis and to attend workshops, seminars and other programmes that would enable them to enhance their knowledge and contribution to the Board.

5 MEETINGS

5.1 Board Meetings

- i) The Board ordinarily meets at least five (5) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings.
- ii) Management who are not Directors may be invited to attend and speak at meetings on matters relating to their sphere of responsibility.
- iii) The Group aims to provide all Directors with timely and quality information and in a form and manner appropriate for them to discharge their duties effectively.
- iv) If the information provided by the Management is insufficient, the Board will make further enquiries to Management.



- v) A full agenda and comprehensive Board papers are circulated to all Directors in advance of each Board meeting. The Board papers include amongst others, the following:
- a) Quarterly unaudited financial report of the Group;
 - b) Internal audit report;
 - c) Report on the financial and operations status of the Group;
 - d) Report on Recurrent Related Party Transactions;
 - e) Previous Board meeting minutes.

Annual General Meeting (“AGM”)

- i) The Group regards the AGM as the principal forum for dialogue with, shareholders and aims to ensure that the AGM provides an an important opportunity for effective communication shareholders.
- ii) All resolutions put to the general meeting whether Annual or Extraordinary will be conducted by poll.
- iii) The accuracy of the polling results for all the resolutions put to the general meeting will be verified by an independent scrutineer.
- iv) The Board where necessary shall undertake to provide a written answer consequently to any significant question that cannot be readily answered at the meeting.

6 REMUNERATION POLICIES

- i) The Group aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Group successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved.



- ii) The remuneration for Executive Directors is to be determined by the Remuneration Committee.
- iii) The remuneration of Non Executive Directors is a matter of the Board as a whole and the respective Non Executive Director is required to abstain from deliberation and voting on decision in respect of his individual remuneration.
- iv) There is adequate disclosure in the Annual Report on the remuneration of Directors.

7 ACCESSES TO INFORMATION AND INDEPENDENT ADVICE

- i) Directors have rights to access to information and to seek independent advice individually or collectively necessary to discharge their responsibilities and making independent judgment.
- ii) Directors will be entitled to:
 - a) Access members of the Group management via the Executive Directors at any time to request for relevant information and explanations;
 - b) Access to internal and external auditors, without management present for relevant information and explanations;
 - c) Seek independent professional advice with prior consent from Board at the Group expense.
- iii) The Board has established a procedure whereby the Directors, individually or collectively, may seek independent professional advice in discharging their responsibilities.

8 SHAREHOLDERS AND INVESTORS RELATIONS

- i) The Board acknowledges the need for shareholders and investors to be informed of all material business matters affecting the Group and adopts an open and transparent policy in respect of its relationship with its shareholders and investors.



- ii) The Board ensures the timely release of financial results on a quarterly basis to provide shareholders and investors with an overview of the Group performance and operations in addition to the various announcements made during the year.
- iii) The Group conducts dialogues with financial analysts as and when necessary as a means of effective communication that enables the Board and Management to convey information relating to the Group performance, corporate strategy and other matters affecting shareholders' interests.
- iv) The Group leverage on information technology for effective dissemination of information. The Group website provides easy access to corporate information pertaining to its activities and is continuously updated.

9 COMPANY SECRETARY

- i) The Board regularly consults the company secretary on procedural and regulatory requirements.
- ii) The company secretary also plays an important role in supporting the Board by ensuring adherence to Board policies and procedures.
- iii) The Board should appoint a suitably qualified and competent company secretary, who can support the Board in carrying out its roles and responsibilities.

10 APPLICATIONS

- i) This Board Charter shall periodically review as and when required and updated as further guidelines on Corporate Governance are issued by the relevant regulatory authorities.
- ii) The Board shall publish this Board Charter in annual report and the Group website. Any updates shall also be published in the Group website.
- iii) The Board endeavours to comply at all times with the principles and practices set out in this Charter.