



**COMPANY NO.: 199401005913 (291592-U)**

## **BOARD CHARTER**

**As at 20 October 2022**

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## REVISION HISTORY LOG

<b>Version No.</b>	<b>Section</b>	<b>Details of Amendments</b>	<b>Date of Approval by the Board</b>
V1	All	Documents Published	20 October 2022

## GLOSSARY

<b>Term</b>	<b>Description</b>
"Board"	The Company's Board of Directors
"Bursa Malaysia"	Bursa Malaysia Securities Berhad
"Company" or "TWH"	Ta Win Holdings Berhad
"IA"	Internal Audit
"MACC"	Malaysian Anti-Corruption Commission Act, 2009
"MMLR"	Main Market Listing Requirements of Bursa Malaysia Securities Berhad
"MCCG"	Malaysian Code on Corporate Governance
"Secretary"	Company Secretary
"CMSA"	Capital Markets and Services Act 2007 of Securities Commission

## **1. APPLICABLE LAWS/ REGULATIONS/ GUIDELINES**

Including but not limited to:-

- (a) Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- (b) Capital Markets and Services Act 2007 of Securities Commission;
- (c) Companies Act, 2016;
- (c) Revised Malaysian Code on Corporate Governance 2021 issued by the Securities Commission Malaysia;
- (d) Malaysian Anti-Corruption Commission Act, 2009; and
- (e) the provisions of the Constitution of Ta Win Holdings Berhad.

## **2. PURPOSE OF BOARD CHARTER**

The Board Charter sets out the role, composition, responsibilities, operations and processes of the Board and is to ensure that all Board members are acting on behalf of the Company and are aware that their duties and responsibilities are towards the best interest of the Group.

This Board Charter would act as a source reference and primary induction literature to provide insights to prospective the Members of the Board and Senior Management. In addition, it will assist the Board in the assessment of its own performance and that of its individual Directors. The conduct of the Board is also governed by the Companies Act, 2016 and Company's Constitution.

The Board shall periodically review and update the Board Charter in tandem with any changes to regulatory authorities.

## **3. AUTHORITY**

The Board derives its authority to act from the Constitution of the Company and the prevailing laws and regulations governing companies in Malaysia.

## **4. COMPOSITION AND BALANCE OF THE BOARD**

The appointment or removal of a Director of the Company shall be in accordance with the rules and regulations set out in accordance with the MMLR, CMSA, MCCG, Companies Act, 2016 and the provisions of the Constitution of TWH. The Board shall strive to achieve an optimum balance and dynamic mix of competencies and diverse skill sets amongst its Board members.

### **4.1 Size and Composition**

- (a) The size of the Board is determined by the Board based on, among others, the following considerations:-

- (i) The need to achieve on appropriate balance of Executive and Non-Executive Directors and the Independent elements of Non-Executive Directors. A board with balance composition will ensure that no individuals will dominate in decision-making;
  - (ii) The diversity of the Board, to ensure that no individuals will dominate in decision-making;
  - (iii) Quorum requirements for the Board meetings;
  - (iv) Other factors which cover the gender, age, professional/ technical background, ethnicity and others.
- (b) The number of Directors shall not be less than two (2) but not more than twenty (2) as set out in the Constitution of the Company; *Constitution-108*
- (c) At any one time, at least two (2) or one third (1/3) of the Board members are Independent Directors; and *MMLR 15.02(1)(a)*
- (d) The composition of the Board comprise of one (1) director is a woman. *MMLR-15.02(1)(b)*
- (e) The composition and size of the Board are reviewed from time to time to ensure its appropriateness.

#### **4.2 Appointment and Re-election**

The appointment of a Director is a matter of consideration and decision by the full Board, upon the recommendation from the Nomination Committee ("NC"). In making these recommendations, the NC will consider the required diversity in skills, experience, age, cultural background including gender, where appropriate, which the Director brings to the Board.

*MCCG-Practice 5.5*

Subject to the Company's Constitution, one-third (1/3) of the Directors for the time being, or if their number is not a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office and a retiring Director shall be eligible for re-election subject to shareholders' approval during the Annual General Meeting of the Company. All the Directors shall submit themselves for re-election at least every three (3) years.

*Constitution-109-113*

#### **4.3 Tenure of Independent Director**

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 judgment, and who otherwise meet the criteria for independence.

The Independent Directors provide independent judgment, experience and objectivity without being subordinated to operational considerations. They help to ensure that the interests of all shareholders are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

The Board assesses the independence of the Independent 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 when any new interest or relationships develops.

The tenure of an Independent Director shall 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 designation as a Non-Independent Director.

*MCCG-Practice 5.3*

If the Board intends to retain an Independent Director beyond nine (9) years, it should justify and seek annual shareholders' approval through a two-tier voting process.

## **5. ROLE, RESPONSIBILITIES AND POWERS**

### **5.1 Board Responsibilities**

The board has the overall responsibility for promoting the sustainable growth and financial soundness of a financial institution, and for ensuring reasonable standards of fair dealing, without undue influence from any party. This includes a consideration of the long-term implications of the board's decisions on the financial institution and its customers, officers and the general public. In fulfilling this role, the Board's roles, responsibilities and powers include:-

- (a) to develop, review and adopt long term business strategies and business plans to the Management of TWH;
- (b) oversee the conduct of the TWH's businesses to evaluate whether the businesses are being properly managed;
- (c) to review and approve TWH annual capital and revenue budgets (and any material changes thereto);
- (d) identify, analysing and evaluating all principal risks and ensure that it has systems in place for risk management and internal control;
- (e) to establish, approve, review, and monitor TWH's risk appetite and comprehensive risk management policies, processes and infrastructure, and receive regular reports therein;
- (f) establishing a succession plan for Board and senior management;
- (g) to review and approve the key matters such as Company's financial statements, major acquisitions or disposal and other reporting;

- (h) to oversee and assess on an annual basis the effectiveness of the Board, Board Committees and individual Directors;
- (i) to review, ratify and monitor the Company's Code of Ethics and Conduct;
- (j) to developing and implementing a shareholder communication policy for the Company and provide access to information of the company and its activities via its website;
- (k) to review and approve the key matters such as Company's financial statements, major acquisitions or disposal and other reporting;
- (l) to establish formal and transparent remuneration policies and procedures to attract and retain directors through Nomination Committee; and
- (m) to review and approve the changes in the terms of reference of TWH's Board and committees established by the Board.

## **5.2 Responsibilities of the Chairman**

The roles of the Chairman and Managing Director/ Chief Executive Officer ("CEO") are segregated with a clear division of responsibilities between the Managing Director/ CEO to ensure a balance of power and authority, such that no one individual can dominate the board's decision making.

*MCCG-Practice 1.3*

The Chairman presides over meetings of Directors and is responsible for instilling good corporate governance practices, leadership and the effectiveness of the Board.

*MCCG-Practice 1.2*

The responsibilities of the Chairman include, but are not limited to, the following:-

- (a) leading the Board and ensuring its effectiveness of all aspects of its role;
- (b) managing Board communications and Board effectiveness and effective supervision over management;
- (c) facilitating the effective contribution of all Directors at Board meetings;
- (d) to chair general meetings of shareholders and ensuring constructive and respectful relations between Directors, and between the Board and Management;
- (e) ensuring effective communication with shareholders and relevant stakeholders;
- (f) developing the strategic direction of the Group;
- (g) ensuring that the Group's strategies and corporate policies are effectively implemented;
- (h) ensuring that Board decisions are implemented and board directions are adhered to;
- (i) leading the Board in the adoption and implementation of good corporate governance practices in the Company;
- (j) assessing business opportunities which are of potential benefit to the Group;
- (k) bringing material and other relevant matters to the attention of the Board in an accurate and timely manner;

- (l) to ensure that quality information to facilitate decision-making is delivered to Board members on a timely basis;
- (m) to liaise with the Managing Director/ CEO and Company Secretary on the agenda for Board meetings; and
- (n) ensure that the Board behaves in accordance with its Board Charter.

### **5.3 Responsibilities of the Executive and Non-Executive Director(s)**

The Executive Director (or in the absence of an executive director, the Managing Director/ CEO) whose responsibilities include, but are not limited to the following:-

- (a) to involved in leadership roles overseeing the day-to-day operations and management of TWH within their specific areas of expertise or assigned responsibilities;
- (b) to develop and implement corporate strategies and policies of TWH to enable the Company achieve growth and profitability subject to the approval by the Board;
- (c) to ensure the efficiency and effectiveness of the operation of TWH;
- (d) to identify and to ensure all material matters affecting to TWH are brought to the attention of the Board in an accurate and timely manner;
- (e) to make recommendations to the Board relating to the business and operations of TWH; and
- (f) to liaise frequently with the Managing Director/ CEO with each other to lead the management to drive the Company and the Group forward.

Non-Executive directors ("NEDs") on the other hands are directors and board members who are not employees of the company and without responsibilities for daily management of the company.

The responsibilities of the NEDs include, but are not limited to:-

- (a) Focus on board matters and attend meetings of the Board and Committee; and
- (b) Provide view and opinion on Board matters and independent perspective of the business to the Board.

### **5.4 Responsibilities of an Independent Directors**

Independent Directors means a director who is independent or 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 interest of an applicant or a listed issuer.

*MMRL-PN13*

Provisions of the MMLR that are applies are as follows:-

*MMRL-PN13*

- (a) he/she is not an Executive Director of the Ta Win;



- (b) he/she is not, and has not been within the last three (3) years, and officer of Ta Win;
- (c) he/she is not a major shareholder of Ta Win;
- (d) he/she is not a family member of any Executive Director, Officer or major shareholder of Ta Win;
- (e) he/she is not acting as a nominee or representative of any Executive Director or major shareholder of Ta Win;
- (f) he/she is not been engaged as an adviser under such circumstance as prescribed by the Bursa, or is not presently a partner, director (except as an independent director) or major shareholder, of a firm or corporation which provides professional advisory services to Ta Win; and
- (g) he/she has not engaged in any transaction or is not presently a partner, Director or a major shareholder, as the case may be, which has been engaged in any transaction.

## **6. PROCEDURES OF BOARD**

### **6.1 Board Meetings**

The Board shall conduct at least four (4) scheduled meetings annually, with additional meetings to be convened as and when necessary. Special Board meetings would convene on an adhoc basis to deliberate on any arising urgent matters that would require the Board's immediate decision.

Meetings of the Board shall be called by the Secretary of the Board at the request of the Chairman. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Board. Reasonable time should be given for Board members and to other attendees as appropriate, to consider all relevant papers and materials prior to the Board meeting.

To allow sufficient time for Board members to consider the relevant information, board papers and agenda items are to be circulated at least 7 days before the meeting, or a shorter period where unavoidable, prior to the meeting. Where there is a need to table a report, a brief statement of findings and/or recommendations is prepared.

Proceedings of all meetings are minuted and signed by the Chairman of the meeting. Minutes of all Board meetings are circulated to the Directors and approved by the Board at the subsequent meeting. Actions on all matters arising from any meeting shall be reported at the following meeting and ensure proper follow through.

### **6.2 Quorum**

The quorum shall comprise two (2) Board Directors and a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions by or exercisable by the Board generally.

### **6.3 Attendance**

A director must attend more than 50% of the board meetings held in each financial year and must not appoint another person to attend or participate in a board meeting on his behalf.

*MMLR-15.05(3)(c)*

### **6.4 Written Resolution Via Circulation**

In between the Board Meetings, approvals on urgent or important business matters requiring the sanction of the Board could be made by way of Circular Resolution enclosing all relevant information to enable the Board to make informed decisions. A Directors' Circular Resolution in writing signed or approve by letter, electronic mail, telegram, telex or telexfax or other form of electronic communication shall be acceptable and deemed equal to an original.

*Constitution-155*

The Directors' Circular Resolution in writing duly executed by a majority of the Board Members shall be valid and effectual for all purposes as a resolution passed at Board Meeting duly convened, held and constituted.

The Senior Management of the Company shall normally be invited to attend the meetings to assist in the deliberations and resolution of matters raised. Where their expertise is required, TWH personnel or any other external professionals may also be invited to attend the Board meetings.

All such resolutions shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by the Secretary in the minutes book.

### **6.5 Meeting using Communication Technology**

The Board may meet together for dispatch of business, adjourn, and otherwise regulate their meetings as they think fit by means of any communication technology by which all persons participating in the meeting are able to hear and be heard by all other participants without the need for a Board to be in the physical presence in the meeting. The Board participating in any such meeting shall be counted in the quorum for such meeting. All effective as a resolution passed at a meeting in person of the members duly convened and held.

## **7. BOARD COMMITTEES**

The Board may from time to time establish Committees as is considered appropriate to assist in carrying out its duties and responsibilities. The Board has established the following Board Committees whose compositions, responsibilities, functions, and authority delegated by the Board to the Board Committees are set out in the respective Board Committees' Terms of Reference:-

- (a) Audit Committee;
- (b) Nomination Committee;
- (c) Remuneration Committee; and
- (d) Risk Management Committee.

The Board Committees shall report, update and keep the Board informed on the recommendations, significant issues, key deliberations and decision on delegated matters.

The Board Committees shall operate under clearly defined terms of reference. The terms of reference of the Committees will be reviewed periodically and amended accordingly after approval by the Board.

## **8. RESERVED MATTERS FOR THE BOARD**

The following are matters which are specifically reserved for the Board:-

- (a) Approval of major corporate plans, policies and programmes;
- (b) Approval of annual budgets;
- (c) Approval of major capital commitments;
- (d) Approval of new ventures;
- (e) Approval of material acquisitions and disposals of undertakings and properties;
- (f) Changes to the management and control structure within the Company and its subsidiaries (the Group), including key policies, delegated authority limits;
- (g) Appointment and removal of Director;
- (h) Establishment of Board Committees;
- (i) Appointment and removal of Secretary;
- (j) Directors' fee for Non-Executive Director;
- (k) Executive Directors' Remuneration packages; and
- (l) Any other matters which are required to be approved by the Board pursuant to the applicable rules, laws and regulations.

## **9. LIMIT ON DIRECTORSHIP**

The limit on the number of directorships that may be held at any one time by members of the Board are five (5) for any listed companies including the position on the board of TWH as a board member or such other requirements as prescribed or approved by the MMLR.

*MMLR-15.06(1)*

## **10. REVIEW OF THE BOARD CHARTER**

Any subsequent amendment to the Board Charter can only be approved by the Board. The Board Charter will be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.