

TA WIN HOLDINGS BERHAD (291592-U)

BOARD CHARTER

INTRODUCTION

Ta Win Holdings Berhad (TWHB) was incorporated in Malaysia under the Companies Act, 1965 (deemed registered under the Companies Act, 2016) on 7 March 1994 under the name Sinmah Holdings Berhad. Subsequently, on 15 November 1994, the Company changed its name to Medan Perdana Berhad. The Company assumed its present name on 27 June 1998.

TWHB's shares were offered to the public on 15 August 2000 in conjunction with its listing on Bursa Malaysia Securities Berhad (formerly known as Kuala Lumpur Stock Exchange). TWHB is currently listed under the "Industrial Products" Sector of the Main Market of Bursa Malaysia Securities Berhad.

The Vision, Mission and Values of TWHB are as follows :-

Vision:

To become a leading global diversified and vertically-integrated precious metals manufacturer

Mission:

TWHB aims to be the leading copper manufacturer in Malaysia, providing affordable top quality copper products to a wide range of customers domestically and internationally. TWHB believes that by using world-class machinery and highly skilled experienced staff, it can provide superior products catered to our increasingly-diverse customer base. Concurrently, growth is to be supplemented by inorganic growth initiatives to acquire the necessary scale to be successful in this highly competitive market.

Values:

Responsibility Towards Customers

- Ensure quality products
- Strive constantly to reduce costs
- Maintain reasonable prices
- Attend to customers' orders promptly
- Ensure continuous improvements in all areas within the Group
- Respect employees
- Recognise their achievements
- Promote a sense of belonging at work
- Provide fair and adequate compensation
- Adopt clean, orderly, and safe working conditions
- Practise equal opportunity for employment, development, and advancement
- Develop knowledge, skills and competency through training
- Practise fairness in all actions
- Promote good work ethics

Responsibility Towards Communities

- Practise good citizenship
- Support welfares/charities
- Encourage civic mindedness on cleanliness and hygiene
- Promote education through workshops
- Maintain the property of the company
- Protect the environment and natural resources

Responsibility Towards Stockholders

- Make reasonable profit
- Provide R&D on new ideas
- Develop innovative programs
- Improve existing machinery
- Purchase relevant new equipment
- Create reserves for unfavourable conditions in the economy
- Provide a fair return on shares

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 Board members 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.

BOARD OF DIRECTORS (“BOARD”)

The Board has two broad purposes; compliance and performance:

A. Compliance : conform with or exceed all legal requirements

Legal

- monitor constitutions
- comply with directors' responsibilities
- comply with all relevant laws

Accountability

- monitor financials
- compliance audits

B. Performance : assist the organization to perform to its best potential

Strategy and policy

- approve strategic plan and policies and monitor regularly

Accountability

- overall performance of the organization
- board evaluation, succession planning
- report outcomes to stakeholders

Public Relations

- represent and participate
- keep shareholders informed
- project a strong and positive image
- protect the shareholders' interest
- communicate the Board's decision

Risk management

- monitor critical risks
- identify, analyze and mitigate the uncertainty in investment decision-making
- identify, evaluate and cost-effective control of risks to eliminate or reduced risk to an acceptable level
- integrate risk management into the culture of the organization
- manage risk in accordance with best practice
- consider legal compliance as an absolute minimum
- anticipate and respond quickly to social, environmental and legislative change
- prevent injury and damage and reduce the cost of risk
- raise awareness of the need for risk management

Composition

The number of Directors shall not be less than 2 but not more than 12 as set out in the Constitution of the Company.

At any one time, at least 2 or 1/3 of the Board members are Independent Directors.

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

The appointment of a new Director is a matter for consideration and decision by the full Board upon the recommendation of the Nomination Committee which the candidates may identify from existing board members, management, major shareholders or independent sources. In making these recommendations, the NC will consider the required mix of skills, knowledge, experience, independent elements and diversity, including gender, where appropriate, which the Director brings to the Board.

The Constitution of the Company provides that every newly appointed Director be subjected to re-election at the immediate Annual General Meeting (“AGM”). Further, one third (1/3) of the Board shall retire from office and be eligible for re-election at every AGM, and all the Directors shall submit themselves for re-election at least every three (3) years.

Independent

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.

If the Board intends to retain an Independent Director beyond nine (9) years, it should justify and seek annual shareholders’ approval. If the Board continues to retain the Independent Director after the twelfth (12) years, the Board should seek annual shareholders’ approval through a two-tier voting process.

Time Commitment for Board Members and Protocols for Accepting New Directorships

Directors are expected to have the relevant expertise in order to contribute positively to the organization's performance and to give sufficient time and attention to carry out their responsibilities to the organization. The Board shall obtain this commitment from its new members at the time of appointment. Any directors should notify the Chairman before accepting any new directorship from any other organization and the notification shall include an indication of time that will be spent on the new appointment.

Role of the Board

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

- (1) Adopting and reviewing the overall strategic plans for the Company and Group;
- (2) Overseeing and evaluating the conduct of business of the Company and Group;
- (3) Identifying principal risks and ensuring implementation of a proper risk management system to manage such risks;
- (4) Establishing a succession plan;
- (5) Developing and implementing Group's policies for the Company; and
- (6) Reviewing the adequacy and the integrity of the internal control systems and management information systems of the Company and Group, including systems for compliance with applicable laws, rules, directives and guidelines.

To enable the board to discharge its responsibilities in meeting the goals and objectives of the Company, the Board should, among others–

- together with senior management, promote good corporate governance culture within the company which reinforces ethical, prudent and professional behaviour;
- review, challenge and decide on management's proposals for the company, and monitor its implementation by management;
- ensure that the strategic plan of the company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- supervise and assess management performance to determine whether the business is being properly managed;
- ensure there is a sound framework for internal controls and risk management;
- understand the principal risks of the company's business and recognise that business decisions involve the taking of appropriate risks;
- 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; and of the conduct, business activities and development of the company;
- ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of board and senior management;
- ensure that the company has in place procedures to enable effective communication with stakeholders; and
- ensure the integrity of the company's financial and non-financial reporting.

Reserved Matters for the Board

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

- (1) Approval of major corporate plans, policies and programmes;
- (2) Approval of major capital commitments;
- (3) Approval of new ventures;
- (4) Approval of material acquisitions and disposals of undertakings and properties;

- (5) Changes to the management and control structure within the Company and its subsidiaries (“the Group”), including key policies, delegated authority limits.
- (6) Appointment and removal of Director
- (7) Establishment of Board Committees
- (8) Appointment and removal of Secretary
- (9) Directors’ fee for Non-Executive Director
- (10) Executive Directors’ Remuneration packages

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.

A full agenda of the meeting and all Board papers, including complicated issues or specific matters, would be distributed at least five business days in advance to ensure Directors are well informed and have the opportunity to seek additional information, and are able to obtain further clarification from the Company Secretary, should such a need arise. Where necessary, the services of other senior management or external consultants will be arranged to brief and help the Directors clear any doubt or concern.

The proceedings of all meetings will be minuted and signed by the Chairman of the meeting. Minutes of all Board meetings will be circulated to all 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.

Directors’ Circular Resolutions signed by all the Directors shall be as valid and effectual as if the resolutions had been passed at the meeting of the Directors.

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 delegates certain functions to the following Committees to assist in the execution of its responsibilities:-

- (1) Audit Committee;
- (2) Nomination Committee;
- (3) Remuneration Committee;
- (4) Risk Management Committee
- (5) Disclosure Committee

The Committees shall operate under clearly defined terms of reference. The Committees are authorized by the Board to deal with and to deliberate on matters delegated to them within their terms of reference. The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings.

Board Culture/ Values

- Serves the community by actively participating in governance
- Responsible to the shareholders
- Accountable for what goes on at the Group
- Responsible for maintaining the Group’s stature in the industry
- Respect each other

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and Chief Executive Officer are segregated to ensure a balance of power and authority, such that no one individual can dominate the board’s decision making.

Chairman

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

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

- (1) Leading the Board and ensuring its effectiveness of all aspects of its role;
- (2) Managing Board communications and Board effectiveness and effective supervision over management;
- (3) Facilitating the effective contribution of all Directors at Board meetings;
- (4) Ensuring constructive and respectful relations between Directors, and between the Board and Management;
- (5) Ensuring effective communication with shareholders and relevant stakeholders.
- (6) Developing the strategic direction of the Group;
- (7) Ensuring that the Group's strategies and corporate policies are effectively implemented;
- (8) Ensuring that Board decisions are implemented and board directions are adhered to;
- (9) Ensuring the efficiency and effectiveness of the operation for the Group;
- (10) Assessing business opportunities which are of potential benefit to the Group; and
- (11) Bringing material and other relevant matters to the attention of the Board in an accurate and timely manner.

Chief Executive Officer

The Chief Executive Officer has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. Chief Executive Officer 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 Group.

The responsibilities of the Chief Executive Officer, amongst others, are as follows:-

- (1) Developing the strategic direction of the Group;
- (2) Ensuring that the Group's strategies and corporate policies are effectively implemented;
- (3) Ensuring that Board decisions are implemented and board directions are adhered to;
- (4) Ensuring the efficiency and effectiveness of the operation for the Group;
- (5) Assessing business opportunities which are of potential benefit to the Group; and
- (6) Bringing material and other relevant matters to the attention of the Board in an accurate and timely manner.

COMPANY SECRETARY

The appointment and removal of the Company Secretary or Secretaries shall be the prerogative of the Board.

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

- (1) Manage all board and committee meeting logistics, attend and record minutes of all board and committee meetings and facilitate board communications;
- (2) Advise the board on its roles and responsibilities;
- (3) Facilitate the orientation of new directors and assist in director training and development;
- (4) Advise the board on corporate disclosures and compliance with company and securities regulations and listing requirements;
- (5) Manage processes pertaining to the annual shareholder meeting;

- (6) Monitor corporate governance developments and assist the board in applying governance practices to meet the board's needs and stakeholders' expectations; and
- (7) Serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

The Company Secretary shall be responsible for drawing up the Agenda and other supporting documentations for circulation to the Board prior to the meeting. He/she is also responsible for keeping the minutes from the outcomes of the meetings. Proceedings of all meetings are minuted and signed by the Chairman or Company Secretary. Minutes of all Board meetings are circulated to directors and approved by the Board at the subsequent meeting. Approved resolutions are recorded in the Resolutions Register.

DECISION MAKING

Decision is a process by which a decision (course of action) is taken. Decision-making lies embedded in the process of management. Decision-making is necessary in planning, organizing, directing, controlling and staffing. The effectiveness of management depends on the quality of decision-making.

In making a decision, the management ensures it has the following characteristics:

- It is a selection from alternative courses of action
- It is a continuous process
- It requires knowledge, skills, experience and maturity
- It is based on reliable information or feedback
- It provides solution and is a goal-oriented process
- it is a means to solving problem and achieving target and not the end in itself
- relates to specific problem
- it is a time consuming activity
- needs effective communication
- it is a pervasive process
- it needs responsibility

The management welcomes the contribution and participation of all level of employees in the decision-making process, even though there is no compulsion to exercise this right. Opportunities were given in various meetings held regularly between management and all levels of employees to give his or her views

POLICY AND STRATEGY

The organization has the following policies and strategies as a directional guidance over the long term to achieve advantage through its configuration of resources within a challenging environment to meet the needs of markets and to fulfill shareholders' expectations:

- Board manual and policy
- Succession planning
- Accounting and financial
- Code of Conduct and Ethics
- Directors' continuing education
- Corporate disclosures
- Sustainability Plans
- Accurate and timely information to the Board
- Environmental, Health and Safety
- Shareholder Communication Policy
- Remuneration Policy

- Whistle Blowing Policy

MONITORING PROCESS

Monitoring the efficiency and effectiveness of policies, strategies, rules, methods or plans is an important part of the resource management planning process. It is an ongoing activity throughout the planning cycle to assess how well the plan is working. It helps to determine the need for further action, and possible changes and improvements in policy statements and plans, or in actions to implement them.

Monitoring informs decision-makers of the consequences of actions and changes in the environment. It provides a means for determining how well plans are working in practice.

The following provide guidance for monitoring:

- Start monitoring plan early
- Have a clear purpose
- Be systematic and apply a consistent approach
- Decide what and how to monitor
- Have a strategic and integrated approach
- Identify meaningful indicators of effectiveness
- Decide who to involve
- Share ideas and allow for training
- Determine causality
- Next course of action once plan effectiveness is established

The following principles will be applied when monitoring, evaluating, review and making assessment of the quality of a policy, procedure or process:

- Quality : a reliable and comprehensive system of monitoring
- Subsidiarity : using own system for monitoring and evaluation
- Transparency : open to stakeholders
- Consistency : procedures consistent with regulations and appropriate for its purpose
- Improvement : designed to encourage and facilitate ongoing improvement

ENVIRONMENTAL, HEALTH & SAFETY MEASURES

The Group is committed to the promotion of the health, safety and wellbeing of all its employees, to the provision of a safe and healthy working environment and to the prevention of occupational injuries and illnesses.

All levels of management will work in consultation and cooperation with all employees, Risk Management Committee and 5S Committee to ensure that the requirements of Occupational Safety and Health Act 1994 and Factory and Machinery Act 1967 and its regulations, or other applicable legislation, together with the Group's Occupational Safety and Health Management System are fully implemented and integrated into the work and activities of its employees.

The Group implemented several viable controls for the protection and sustainability of the environment as it understands that resources are not endless and that the integrity of the environment should be in the fore of development:

- Not polluting the environment
- Recycle industrial waste
- Promote energy efficiency to reduce carbon footprint

- Limiting and control product waste and toxicity

COMMUNICATIONS WITH SHAREHOLDERS

The shareholders and investors shall be kept informed of the Group's performance and any new developments through annual reports and announcements via Bursa LINK. The organization would consider to adopt electronic voting means to facilitate greater shareholders participation whenever is deemed necessary and circumstances are permitted.

The Board is committed to respecting shareholders' rights. The Board is taking every reasonable step necessary to inform shareholders on the various means to exercise their rights through its Shareholder Communication Policy which is published in its website. The Board shall direct the Company to disclose all relevant information to the shareholders to enable them to exercise their rights.

Annual general meetings are an important avenue through which shareholders can exercise their rights. The Board shall take active steps to encourage shareholder participation by giving at least 28 days' notice period for such meetings and by providing the necessary details, background information, and reports, if available and applicable.

This information is to be made available in the Group's website www.ta-win.com

REVIEW OF 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.

PUBLICATION OF THE BOARD CHARTER

The Board Charter is to be made available in the Group's website.