

EWEIN BERHAD (742890-W)

BOARD CHARTER

1. INTRODUCTION

The Directors of Ewein Berhad (Ewein) regard Corporate Governance as vitally important to the success of Ewein's business and are unreservedly committed to applying the principles necessary to ensure that the following principles of good governance is practised in all of its business dealings in respect of its shareholders and relevant stakeholders:

- The Board is the focal point of the Company's Corporate Governance system. It is ultimately accountable and responsible for the performance and affairs of the Company.
- All Board members are expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.
- All Board members are responsible to the Company for achieving a high level of good governance.
- This Board Charter shall constitute, and form, an integral part of each Director's duties and responsibilities.

2. OBJECTIVES

The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good Corporate Governance are applied in all their dealings in respect, and on behalf of, the Company.

In pursuit of the ideals in this Board Charter, the intention is to exceed "minimum legal requirements" with due consideration to recognised standards of best practices locally and internationally.

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3. THE BOARD

3.1 Role

- 3.1.1 The Board is charged with leading and managing the Company in an effective and responsible manner. Each Director has a legal duty to act in the best interest of the Company. The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders for the manner in which the affairs of the Company are managed. The Board sets the Company's values and standards and ensures that its obligations to its shareholders and stakeholders are understood and met.
- 3.1.2 The Board understands that the responsibility for good Corporate Governance rests with them and therefore strives to follow the principles and best practices stated in the Malaysian Code on MCGG. The Board includes a narrative statement in its Company's Annual Report on the extent of compliance with the principles and best practices in Corporate Governance pursuant to Paragraph 15.25 of the LR.
- 3.1.3 The Company complies with the various guidelines issued by Bursa Securities and the SC relating to disclosure and internal audit functions.
- 3.1.4 The Board meets in person at least once every quarter to facilitate the discharge of their responsibilities. Members of the Management who are not Directors may be invited to attend and speak at meetings on matters relating to their sphere of responsibility.
- 3.1.5 Duties of the Board include establishing the corporate vision and mission, as well as the philosophy of the Company, setting the aims of the Management and monitoring the performance of the Management.
- 3.1.6 The Board assumes the following specific duties:
- a) Establishing and reviewing the strategic direction of the Company;
 - b) Overseeing and evaluating the conduct of the Company's businesses;
 - c) Identifying principal risks and ensure that the risks are properly managed;
 - d) Establishing a succession plan;
 - e) Developing and implementing an investors relations programme or shareholder communication policy; and
 - f) Reviewing the adequacy of the internal control policy.
- 3.1.7 The Board has established written procedures determining which issues

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require a decision of the full Board and which issues can be delegated to Board Committees or the Management.

3.1.8 The Board reserves full decision-making powers on the following matters:

- a) Conflict of interest issues relating to a substantial shareholder or a Director;
- b) Material acquisitions and disposition of assets not in the ordinary course of business;
- c) Investments in Capital projects;
- d) Authority levels;
- e) Treasury policies;
- f) Risk management policies; and
- g) Key human resource issues.

3.1.9 The Board has established a procedure whereby the Directors, collectively or individually, may seek independent professional advice in furtherance of their duties at the Company's expense.

3.2 Composition and Board Balance

3.2.1 The Board consists of qualified individuals with diverse experiences, backgrounds and perspectives. The composition and size of the Board is such that it facilitates the making of informed and critical decisions.

3.2.2 At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members are Independent Directors.

3.2.3 Profiles of Board members are included in the Annual Report of the Company.

3.2.4 The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations.

3.2.5 The Independent Directors help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

3.2.6 The views of the Independent Directors should carry significant weight in the Board's decision-making process.

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3.2.7 The Board may appoint a Senior Independent Director to whom shareholders' concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman or the Managing Director have failed to resolve them. The Senior Independent Director chairs the meetings between the Non-Executive Directors where both the Chairman and Executive Directors do not attend.

3.2.8 If, on any matter discussed at a Board meeting, any Director holds views contrary to those of any of the other Directors, the Board minutes will clearly reflect this.

3.3 **Appointments**

3.3.1 The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nominating Committee.

3.3.2 New Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board performance of its duties and to give sufficient time and attention to the affairs of the Company.

3.3.3 The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.

3.3.4 Upon the appointment of a new Director, the Company Secretary advises the Director of his/her principal duties and responsibilities and explains the restrictions to which he or she is subject to in relation to price-sensitive information and dealings in the Company's securities. Thereafter, all Directors are provided with appropriate briefings on the Company's affairs and up-to-date Corporate Governance materials published by the relevant bodies.

3.3.5 The Company has adopted an induction programme for newly appointed Directors. The induction programme aims at communicating to the newly appointed Directors, the Company's vision and mission, its philosophy and nature of business, current issues within the Company, the corporate strategy and the expectations of the Company concerning input from Directors. The Company Secretary is primarily responsible for the induction programme with appropriate assistance from other senior Executive Directors.

3.3.6 The Company has adopted educational / training programmes to update the Board in relation to new developments pertaining to the laws and regulations and changing commercial risks which may affect the Board and/or the Company.

3.3.7 In addition to the Mandatory Accredited Programme (MAP) as required by the Bursa Securities, Board members are also encouraged to attend

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training programmes conducted by highly competent professionals and which are relevant to the Company's operations and business. The Board will assess the training needs of the Directors and disclose in the Annual Report the trainings attended by the Directors.

3.3.8 The directorships held by any Board member at any one time shall not exceed five (5) in listed companies.

3.3.9 Executive Directors should not take on more than one (1) non-executive directorship, nor become Chairman of a major Company, and no individual should chair the Board of more than one (1) major Company.

3.4 Re-election

3.4.1 All Directors are subject to retirement by rotation.

3.5 Supply of Information

3.5.1 The Company aims to provide all Directors with timely and quality information and in a form and manner appropriate for them to discharge their duties effectively.

3.5.2 The Management is responsible for providing the Board with the required information in an appropriate and timely manner. The Chairman, assisted by the Company Secretary, assesses the type of information required to be provided to the Board. If the information provided by the Management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.

3.5.3 A full agenda and comprehensive Board papers are circulated to all Directors well in advance of each Board meeting.

3.5.4 Amongst others, the Board papers include the following:

- a) Quarterly financial report and report on the Company's cash and borrowing positions;
- b) Minutes of meetings of all Committees of the Board;
- c) Internal Audit Report;
- d) Directors' share-dealings; and

3.5.5 Full Board minutes of each Board meeting are kept by the Company Secretary and are available for inspection by any Director during office hours.

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4. CHAIRMAN

4.1 Chairman

4.1.1 The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role. The Chairman is responsible for:

- a) leading the Board in setting the values and standards of the Company;
- b) maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
- c) ensuring the provision of accurate, timely and clear information to Directors;
- d) ensuring effective communication with shareholders and relevant stakeholders;
- e) arranging regular evaluation of the performance of the Board, its Committees and individual Directors;
- f) facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors.

4.1.2 The Chairman, in consultation with the Managing Director and the Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda.

4.1.3 The Chairman is responsible for managing the business of the Board to ensure that:

- all Directors are properly briefed on issues arising at Board meetings.
- sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion.
- the issues discussed are forward looking and concentrates on strategy.

4.1.4 The Chairman ensures that every Board resolution is put to vote to ensure the will of the majority prevails.

4.1.5 The Chairman ensures that Executive Directors look beyond their

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executive functions and accept their full share of responsibilities on governance.

4.1.6 The Chairman will have no casting vote if two (2) Directors form a quorum, or if there are only two (2) Directors competent to vote on the question at issue.

4.2 Managing Director

4.2.1 The Managing Director is the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions.

4.2.2 The Managing Director has the executive responsibility for the day-to-day operation of the Company's business.

4.2.3 The Managing Director implements the policies, strategies and decisions adopted by the Board.

4.2.4 All Board authorities conferred on the Management is delegated through the Managing Director and this will be considered as the Managing Director's authority and accountability as far as the Board is concerned.

5. BOARD COMMITTEES

The Board appoints the following Board Committees with specific terms of reference:

- Audit Committee
- Nominating Committee
- Remuneration Committee

Independent and Non-Executive Directors play a leading role in these Committees. The Management and third parties are co-opted to the Committees as and when required. Details of the membership and a summary of the terms of reference of each Committee appointed by the Board are published in the Annual Report.

5.1 Audit Committee

5.1.1 The Audit Committee comprises at least three (3) members, a majority of whom are Independent Directors.

5.1.2 No alternate Director can be appointed as a member of the Audit Committee.

5.1.3 The Audit Committee will elect an Independent Director from amongst them as its Chairman.

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- 5.1.4 The duties and responsibilities of the Audit Committee are to review the following and report the same to the Board:
- a) with the external auditors, the audit plan;
 - b) with the external auditors, their evaluation of the system of internal controls;
 - c) with the external auditors, their audit report;
 - d) The external auditors' management letter and management response;
 - e) the assistance provided by employees of the Company to the external auditors;
 - f) Quarterly interim financial reports and year-end financial statements prior to the approval of the Board focusing particularly on:
 - changes in significant accounting policies;
 - significant and unusual events;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements.
 - g) Any related party transactions and conflict of interest situation including any transaction, procedure or course of conduct that raises questions of management integrity;
 - h) any related party transactions and conflict of interest situation including any transaction, procedure or course of conduct that raises questions of management integrity;
 - i) any letter of resignation from the external Auditor of the Company;
 - j) whether there is reason (supported by grounds) to believe that the Company's external Auditor is not suitable for re-appointment;
 - k) recommend the nomination of a person(s) as external auditors;
 - l) any change of the chief financial officer.
- 5.1.5 The Audit Committee meets on a quarterly basis to carry out its functions. The Audit Committee is also responsible for recommending the person or persons to be nominated to act as the external Auditor and the remuneration and terms of engagement of the external Auditor.
- 5.1.6 The management may attend the meetings only at the invitation of the Audit Committee.

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5.1.7 The Board will review the performance of the Audit Committee once in every three (3) years.

5.1.8 To review the internal auditors include:-

- the adequacy of the scope, functions, competency and resources of the internal audit functions and the necessary authority given to the internal auditor in order for him to carry out his work;
- the internal audit plan and the results of the internal audit

5.2 Nominating Committee

5.2.1 The Nominating Committee comprises Non-Executive Directors and a majority of the Committee members are appointed from the Independent Directors.

5.2.2 The Nominating Committee will elect an Independent Director from amongst them as its Chairman.

5.2.3 Duties & Responsibilities

The Nominating Committee will:

- a) To determine the core competencies and skills required of Board members to best serve the business and operations of the Group as a whole and the optimum size of the Board to reflect the desired skills and competencies.
- b) To review the size of Non-Executive participation, Board balance and determine if additional Board members are required and also to ensure that at least one-third (1/3) of the Board is independent.
- c) To recommend to the Board on the appropriate number of Directors to comprise the Board which should fairly reflect the investments of the minority shareholders in the Company, and whether the current Board representation satisfies this requirement.
- d) To recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board.
- e) To consider in making its recommendations, candidates for directorships proposed by the Chief Executive Officer/Managing Director and, within the bounds of practicability, by any other senior executive or any Director or shareholder.

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- f) To recommend to the Board, Directors or officers of the Company to fill the seats on Board Committees.
- g) To undertake an annual review of the required mix of skills and experience and other qualities of Directors, including core competencies which the Directors should bring to the Board in order for the Board to function efficiently and effectively and to disclose this in the Annual Report.
- h) To assist the Board to implement a procedure to be carried out by the Committee annually for assessing the effectiveness of the Board as a whole, the Committees of the Board and for assessing the contributions and performance of Directors and Board of Committee members.
- i) To introduce such regulations or guidelines, procedures to function effectively and fulfill the Committee's objective.
- j) To ensure that all Directors receive appropriate training to facilitate the discharge of their duties.
- k) To facilitate Board induction and training programmes to newly appointed directors.
- l) To oversee appointment, management succession planning and performance evaluation of Key Responsible Persons (other than Directors and Board Committee)
- m) To facilitate achievement of board gender diversity policies, targets and measures to achieve it.
- n) To ensure the Board carry out the annual assessment of the independence of independent directors.
- o) To develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors.

5.2.4 The Committee will make the following recommendations to the Board:

- As regards plans for succession for Directors and Senior Management to maintain an appropriate balance of skills on the Board;
- Concerning the re-election by shareholders of any Director under the retirement by rotation provisions in the Company's articles of association;
- Concerning the appointment of any Director to executive or other office, the recommendation for which would be considered at a meeting of the Board;

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- Concerning the re-appointment of independent directors who has served in that capacity for a cumulative term of nine years, the recommendation for which would be considered at a meeting of the Board.

5.3 Remuneration Committee

5.3.1 The Remuneration Committee comprises wholly or mainly of Non-Executive Directors.

5.3.2 The Remuneration Committee will elect Non-Executive Director from amongst them as its Chairman.

5.3.3 Duties:

The Remuneration Committee will:-

- a) establish and recommend a framework of remuneration for the Board of Directors which include but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind.
- b) review the annual remuneration packages for each of the Executive Director such that the levels of remuneration are sufficient to attract and retain the necessary Executive Directors needed to manage the Company.
- c) ensure that a fair differential between the remuneration of Board members and other levels of management is maintained.
- d) conduct continued assessment of individual Executive Directors to ensure that remuneration is directly related to corporate and individual performance.
- e) obtain the advice and information from external source, if necessary, to compare the remuneration currently earned by the Executive Directors and those paid to Executive Directors of other companies of a similar size in a comparable industry sector.
- f) ensure that the base salary element is competitive but fair.
- g) advise on and monitor, a suitable performance related formula ie. whether the formula is based on individual performance, company profit performance, earnings per share, etc.
- h) provide an objective and independent assessment of the benefits granted to Executive Directors.
- i) introduce any policy or guidelines which would enable the smooth

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administration and effective discharge of the Committee's duties and responsibilities.

j) To furnish a report to the Board of any findings of the Committee.

6. REMUNERATION LEVELS OF DIRECTORS

- 6.1 The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal.
- 6.2 The level of remuneration for the Managing Director and 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.
- 6.3 Non-Executive Directors are entitled to participate in the Company's Employee Share Options Scheme (ESOS) subject to approval at a General Meeting. Non-Executive Directors who participated in the ESOS are prohibited to sell, transfer or assign the shares within one (1) year from the date of offer of such options.
- 6.4 There is adequate disclosure in the Annual Report with a note on the remuneration of Directors.

7. FINANCIAL REPORTING

7.1 Transparency

- 7.1.1 The Company aims to present a clear and balanced assessment of the Company's financial position and future prospects that extends to the interim and price-sensitive information and other relevant reports submitted to regulators.
- 7.1.2 The Directors ensure that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the approved accounting standards.
- 7.1.3 The Company's practice is to announce to Bursa Securities its quarterly financial results as early as possible within two (2) months after the end of each quarterly financial period.
- 7.1.4 The Auditors Report shall contain a statement from the Auditors explaining their responsibility in forming an independent opinion, based on their audit, of the financial statements.

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7.2 Company Auditors

- 7.2.1 The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company Auditors through its Audit Committee.
- 7.2.2 The Audit Committee also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company Auditors. The Company ensures that the Company Auditors do not supply a substantial volume of non-audit services to the Company.
- 7.2.3 Appointment of the Company Auditors is subject to approval of shareholders at General Meetings. The Company Auditors have to retire during the AGM every year and be re-appointed by shareholders for the ensuing year.

7.3 Internal Controls and Risk Management

- 7.3.1 The Company outsource its internal audit function, which critically reviews all aspects of the Company's activities and its internal controls. Comprehensive audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries are undertaken on a regular basis. The Internal Audit Service Provider Firm has direct access to the Board through the Chairman of the Audit Committee.
- 7.3.2 The Board ensures the system of internal controls is reviewed on a regular basis.
- 7.3.3 The Audit Committee receives reports regarding the outcome of such reviews on a regular basis.

8. GENERAL MEETINGS

8.1 Annual General Meeting (AGM)

- 8.1.1 The Company regards the AGM as an important event in the corporate calendar of which all Directors and key senior executives should attend.
- 8.1.2 The Company regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.
- 8.1.3 The Chairman encourages active participation by the shareholders during the AGM.

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- 8.1.4 The Chairman and, where appropriate, the Managing Director responds to shareholders' queries during the meeting. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.

8.2 Extraordinary General Meeting (EGM)

- 8.2.1 The Directors will consider requisitions by shareholders to convene an EGM or any other urgent matters requiring immediate attention of the Company.

9. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

- 9.1 The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.
- 9.2 The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.
- 9.3 The Company conducts dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.
- 9.4 The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

10. RELATIONSHIP WITH OTHER STAKEHOLDERS

In the course of pursuing the vision and mission of the Company, the Board recognises that no Company can exist by maximising shareholders value alone. In this regards, the needs and interests of other stakeholders are also taken into consideration.

10.1 Employees

- 10.1.1 The Board acknowledges that the employees are invaluable assets of the Company and play a vital role in achieving the vision and mission of the Company.

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10.1.2 The Company adopts comprehensive and documented policies and procedures with respect to the following:

- a) Occupational safety and health with the objective of providing a safe and healthy working environment for all employees; and
- b) Industrial relations with the objective of managing employees' welfare and well-being in the workplace.

10.2 Environment

10.2.1 The Board acknowledges the need to safeguard and minimise the impact to the environment in the course of achieving the Company's vision and mission.

10.2.2 The Company adopts comprehensive and documented policies and procedures as part of its commitment to protect the environment and contribute towards sustainable development.

10.2.3 The Company supports initiatives on environmental issues.

10.3 Social Responsibility

10.3.1 The Board acknowledges that the Company should play a vital role in contributing towards the welfare of the community in which it operates.

10.3.2 The Company adopts comprehensive and documented policies and procedures towards responsible marketing and advertising of its products and services.

10.3.3 The Company supports charitable causes and initiatives on community development projects.

11. COMPANY SECRETARY

11.1 The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.

11.2 The Company Secretary is accountable to the Board through the Chairman of the Board and Committees on all governance matters.

11.3 The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.

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- 11.4 The Company Secretary should advise Directors of their obligations to adhere to matters relating to:
- a) disclosure of interest in securities
 - b) disclosure of any conflict of interest in a transaction involving the Company
 - c) prohibition on dealing in securities
 - d) restrictions on disclosure of price-sensitive information.
- 11.5 The Company Secretary must keep abreast of, and inform, the Board of current governance practices.
- 11.6 The Board members have unlimited access to the professional advice and services of the Company Secretary.

12. APPLICATION

- 12.1 The principles set out in this Charter are:
- a) kept under review and updated as practices on Corporate Governance develop and further guidelines on Corporate Governance are issued by the relevant regulatory authorities;
 - b) applied in practice having regard to their spirit and general principles rather than to the letter alone; and
 - c) summarised in the Annual Report as part of a narrative statement by the Directors on Corporate Governance.
- 12.2 The Board endeavours to comply at all times with the principles and practices set out in this Charter.
- 12.3 Any updates to the principles and practices set out in this Charter will be made available on the Company's website.