

BOARD CHARTER

A. INTRODUCTION

1. The Board of Directors (“Board”) of CWG Holdings Berhad (“CWG” or “the Company”) believes that corporate governance is synonymous with the concepts of integrity, transparency, accountability and sustainability. It adopts a governance framework that is formulated based on the principles and recommendations of the Malaysian Code on Corporate Governance (“the Code”).
2. CWG practices high standards of corporate governance to ensure the maximization of shareholders’ value and safeguarding the stakeholders’ interests, concurrent with proper considerations to environmental, social and governance aspects of business involving the Company and its subsidiaries (“the Group”).
3. Members of the Board in discharging their duties and exercising their responsibilities to enable effective governance and oversight, collectively establish this Board Charter to reflect the Board’s commitment to securing sustainable financial results and enhancing shareholders’ value.

B. BOARD ROLES AND RESPONSIBILITIES

1. The Board shares a fundamental stewardship role and is responsible for the overall direction of the Group’s business operation. Apart from legal and statutory responsibilities, the Board assumes the following responsibilities:
 - (a) provides continuity for CWG by setting corporate objectives and strategic direction with the development and implementation of long-term plans; ensures the management’s action plans are responsive to changes in the environmental context and organizational realities;
 - (b) ensures availability of financial and human resource to meet objectives;
 - (c) oversees management’s running of the Group’s business and to evaluate whether the business is being properly managed to ensure conformance to established targets;
 - (d) ensures implementation of various policies and decisions throughout the Group;
 - (e) ensure that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social consideration underpinning sustainability;
 - (f) defines the risk appetite, approving and overseeing the operation of the Group’s Risk Management Framework, assessing its effectiveness and reviewing any major or significant risk facing the Group;
 - (g) reviews the adequacy and integrity of the Group’s internal control systems;
 - (h) approves the financial statements and accounting principles of the Group;
 - (i) establishes the Group’s values and standards and ensures that the shareholders’ interests are kept;
 - (j) through Audit Committee, liaises with external auditors on accounting policies and practices, compliance issues and reporting to shareholders;

- (k) ensures senior management are of sufficient calibre, and provide for the orderly succession of senior management.

C. BOARD COMPOSITION

1. Structure

- (a) The Company's Constitution provides for a minimum of two (2) Directors and a maximum of eleven (11) Directors.
- (b) As defined in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever is the higher, are Independent Directors.
- (c) In the event of any vacancy in the Board resulting in non-compliance with the above, the Company must fill the vacancy within three (3) months.
- (d) To foster greater objectivity in the boardroom, at least half of the Board shall compose of Independent Directors. The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations.
- (e) The Company's Constitution provides that every newly appointed Director shall be subject to re-election at the Annual General Meeting ("AGM") of the Company after the appointment. Further, one-third (1/3) of the Directors shall retire from office and be eligible for re-election at every AGM, provided all Directors shall retire at least once every three (3) years.
- (f) In line with the recommendation of the Code, the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, the Independent Director may continue to serve on the Board provided he/she is re-designated as a Non-Independent Director.
- (g) If the Board intends to retain the Independent Director beyond the nine (9) years, the Independent Director shall be subject to the assessment by Nominating and Remuneration Committee with valid justifications be recommended to the Board and seek annual shareholders' approval through a two-tier voting process.
- (h) The Board will through the Nominating and Remuneration Committee, take steps to ensure that women candidates are sought as part of its recruitment exercise, subject to the suitability of the candidate in terms of competencies, experience and characteristics required by the Board in the context of the needs of the Group.

2. Chairman

- (a) The Chairman shall not be a member of the Audit Committee and Nominating and Remuneration Committee. This is to avoid the risk of self-review which may impair objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board Committees.
- (b) The Chairman plays a crucial leadership and pivotal role of ensuring that the Board works effectively. The key roles of the Chairman are:

- (i) acting as facilitator at meetings of the Board and of the members to ensure each Board meeting and general meeting is planned effectively, conducted according to the Constitution and that matters are dealt with in an orderly, efficient manner;
- (ii) ensuring full participation of the Executive, Non-Executive and Independent Directors in the Board's decision making processes and activities;
- (iii) ensuring that the whole Board plays a full and constructive part in developing and determining the Company's and/or the Group's strategy and overall business and commercial objectives;
- (iv) directing discussions at all Board meetings towards the emergence of a consensus view and sum up discussions so that every Board member understands what has been agreed;
- (v) providing governance in matters requiring corporate justice and integrity; and
- (vi) representing the Board as its figurehead and spokesperson at function or general meetings.

3. **Executive Deputy Chairman**

- (a) The Executive Deputy Chairman is to assist the Chairman of the Board, and to steer the Group's businesses and performance of the Group towards achieving the Group's vision and goals.
- (b) The responsibilities of the Executive Deputy Chairman include:
 - (i) strategic planning, business development and overseeing the Group's business operations together with the Group Managing Director; and
 - (ii) formulation of high level-strategies of the Group and together with the Group Managing Director, directing the overall growth of the Company.

As the highest-ranking executive of the Group, the Executive Deputy Chairman is also responsible for making major corporate decisions in the best interest of the Group.

4. **Group Managing Director**

- (a) Being the senior executive of the Company, the Group Managing Director is accountable to the Board for the overall performance of the Group and the day-to-day running and management of the Group's business, under delegated authority from the Board.
- (b) The responsibilities of the Group Managing Director include:
 - (i) formulating and implementing policy, objectives, strategies and plans towards profitable growth and operation of the Group;
 - (ii) putting in place adequate operational planning and financial control systems;
 - (iii) working with other Executive Directors and management, closely monitoring their actions, the operating and financial results against plans and budgets;

- (iv) regularly keeping the Chairman, Executive Deputy Chairman and the Board informed of all matters that of importance to the Group, including its current performance and progress;
- (v) taking remedial action where necessary and informing the Board of significant changes;
- (vi) exercising executive stewardship of the Group's resources;
- (vii) leading the management at all levels throughout the Group and providing motivation and skills or professional development;
- (viii) ensuring compliance with all relevant legislation and regulations by reviewing policies and monitoring compliance; and
- (ix) recommending to the Chairman and the Nominating and Remuneration Committee in respect of nomination for appointment of new candidate to the Board and/or Board Committees.

5. Other Executive Directors

- (a) Other Executive Directors of the Company are responsible to assist the Group Managing Director in the implementation of Board's decision and policies, oversees the operations and also coordinating business and strategic decisions.
- (b) There is a division of responsibility among the Executive Directors including the Group Managing Director through a well-defined organisational structure with clear lines of accountability and responsibility to ensure an appropriate balance of power and authority, increased authority and greater capacity for independent decision-making.

6. Senior Independent Director

- (a) 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 Group Managing Director have failed to resolve them.
- (b) The role of the Senior Independent Director includes acting as:
 - (i) a sounding board for the Chairman;
 - (ii) an intermediary for other directors when necessary; and
 - (iii) the point of contact for shareholders and other stakeholders.

7. Non-Executive Directors

- (a) In consideration of the time devoted to the Company's affairs is likely to be lesser for Non-Executive Directors than for Executive Directors, the Non-Executive Directors (including Non-Independent and Independent Directors) cannot reasonably be expected to have the same detailed knowledge and experience of the Company's affairs as Executive Directors. However, they play governance roles which should provide independence, oversight and constructive challenge to the Board.

- (b) Non-Executive Directors should contribute to the development of strategy, bringing their experience and expertise to bear and should hold the Executive Directors to account for delivery of the strategy, effectiveness of the internal controls, oversight of risks etc. They should also bring their specific relevant expertise to the workings of Board Committees.

8. Board Committees

- (a) The Board has set up the following two (2) committees to delegate specified matters to them to assist the Board in overseeing certain major functional areas and to address matters which require detailed review or in-depth consideration:
 - (i) Audit Committee; and
 - (ii) Nominating and Remuneration Committee
- (b) All the two (2) Board Committees have their own terms of reference which state clearly the requirements of their composition, extent and limits of their responsibilities and authority.
- (c) The Board may further delegate its responsibilities to individual members or Board Committees as and when it considers appropriate.

9. New Board Members

- (a) Any Board member or member of the Company may make nomination of a new candidate for appointment to the Board, subject to the total number of Directors does not at any time exceed the maximum number determined in accordance with the Company's Constitution.
- (b) The Nominating and Remuneration Committee is authorised to review the profile of the nominated candidate and make recommendation to the Board or the members whether the candidate is suitable to be appointed as a Director of the Company.
- (c) New Director shall attend training programmes as may be prescribed by the Bursa Securities from time to time. In addition, the Company may conduct an induction programme to brief and guide the new Director about the Group's structure, management and operation so that he/she will be able to give pertinent opinions and constructive proposals to the deliberation and decision-making of the Board.

D. BOARD MEETINGS

1. The Board shall meet at least four (4) times in a financial year with additional meetings to be convened as and when necessary.
2. Matters regarding the convening and conducting of meetings are governed by the Company's Constitution.
3. The Board shall discuss, review and deliberate the matters at its meeting to make collective decision (excluding the Directors who have interests in the transactions).
4. A schedule of future Board and Board Committee meetings will be given to the Directors for them to plan well in advance so that they have the opportunity to attend the meetings. Nevertheless, they should recognise the need to be available at all times, particularly to meet the needs of the Company at times of significant challenge or crisis.

E. MATTERS RESERVED FOR THE BOARD DECISION

1. The Board shall have a formal schedule of matters specifically reserved for the Board's deliberation and decision, which shall include the following:-

(a) Conduct of the Board

- Appointment and recommendation for removal and re-election of directors.
- Appointment and removal of Company Secretaries.
- Establishment of Board Committees, their members and the specific terms of reference.
- Recommendation for appointment/re-appointment of auditors.

(b) Remuneration

- Recommendation of Directors' fees and benefits payable for Non-Executive Directors to be approved by shareholders.
- Approval of remuneration packages and structure, including service contracts for Executive Directors.

(c) Operational

- Review and approval of strategic plan.
- Approval of capital expenditure exceeding prescribed thresholds based on the formalized limits of authority.
- Approval of investment or divestment in a company/business/property undertaking;
- Approval of investment or divestment of a capital project which represents a significant diversification from the existing business activities.
- Approval of changes in the major activities of the Company or the Group.
- Approval of treasury policies and bank mandates of the Company.
- Approval of the limits of authority for the Group.

(d) Financial

- Approval of interim and annual financial statements.
- Approval for the release of financial announcements.
- Approval of the Directors' Report, Statutory Account, Corporate Governance Overview Statement, CG Report, Sustainability Statement and Statement of Risk Management and Internal Control for inclusion in the Company's Annual Report.
- Approval of interim dividends, recommendation of final dividends or other distribution for shareholders' approval.
- Adoption of accounting policies in line with Financial Reporting Standards.
- Review the effectiveness of the Group's system of risk management and internal control. This function is delegated to the Audit Committee which will in turn report to the Board on its findings.

(e) Other Matters

- Recommendations for the alteration of the Company's Constitution.
- Scheme of reconstruction or restructuring.
- Any other significant business decision.

- Any other matters requiring the convening of a general meeting of shareholders or any class of shareholders.
- Any other matters as may be required by the laws or the governing authorities.
- Any other matters requiring the Board's approval under the limits of authority adopted by the Company and the Group.

F. OTHER BOARD PRACTICES

1. Resignation, retirement, removal and vacation of office of Directors, and filling of casual vacancy

Reference shall be made to the Company's Constitution pertaining to the regulation for the resignation, retirement, removal and vacation of office of Directors under other circumstances, and the filling of casual vacancy arising therefrom.

2. Remuneration of Directors

The remuneration packages for Executive Directors is reviewed by the Nominating and Remuneration Committee and recommends to the Board for approval. The Board, as a whole, based on the recommendation of the Nominating and Remuneration Committee, approve the fees and benefits of each Director with the Directors concerned abstaining from the decision in respect of their individual remuneration and recommends to the shareholders for approval at the AGM.

3. Performance Evaluation of the Board

The Board will conduct an annual self-evaluation to determine whether the Board, Board Committees and each Director are functioning effectively. The Nominating and Remuneration Committee is entrusted to conduct an annual assessment and report to the Board. The assessment will focus on the contribution of the Board, Board Committees and Directors to the Company and specifically focus on areas in which the Board or management believes that the Board, Board Committees and/or Directors could improve.

4. Disclosure of interests

- (a) A Director must give notice in writing to the Company of his/her interests in shares, debentures, participatory interests, rights and options in the Group ("Interests"),
- (i) upon the date on which he became a Director of the Company; or
 - (ii) within one (1) full market day from the date of the acquisition, change or cessation of Interests transpires during the closed period as defined in the MMLR of the Bursa Securities; or
 - (iii) within three (3) market days from the date of the acquisition, change or cessation of Interests transpires outside the closed period.
- (b) A Director who
- (i) is in any way, whether directly or indirectly interested in a contract or proposed contract with the Group; or
 - (ii) holds any office or possesses any property whereby whether directly or indirectly duties or interests might be created in conflict with his/her duties or interests as Director of the Company

shall declare the nature of his/her interest or the conflicts of interest at the first Board meeting after he becomes a Director or (if already a Director) after

- the relevant facts of the contracts have come to his/her knowledge [for declaration of interest in contract under the above paragraph 4(b)(i)]
- he/she commenced to hold the office or to possess the property [for declaration of conflict of interest under paragraph 4(b)(ii)].

5. Directorship in other company(ies)

Subject to the restriction on holding not more than five (5) directorships in listed issuers as prescribed in the MMLR, the Directors should carefully consider the number of other boards on which they can serve consistent with the time and energy necessary to satisfy the requirements of Board and Board Committees. The Directors should also carefully consider any actual or apparent conflicts of interest and impairments to independence that service on other boards may create. In furtherance of these considerations, the Directors must notify the Board in a timely fashion before accepting an invitation to serve on the board of another public company. This prior notice is to allow discussion with other Directors of the Board to review whether such other service will interfere with the Director's service on the Company's Board, impact the Director's status as an Independent Director, or create an actual or apparent conflict of interest for the Director.

6. Access to professional advice

The Board and/or the Board Committees may seek independent professional advice at the Company's expense on specific issues to enable the Board to discharge its duties in relation to the affairs of the Group.

7. Training

The Board shall assess the training needs of each Director. The Directors are encouraged to attend seminars or training programmes organised by the relevant regulatory authorities and professional bodies to broaden their knowledge and to keep abreast with the relevant changes in laws, regulations and the business environment.