

SUIWAH CORPORATION BHD (253837 H)
(Incorporated in Malaysia)

BOARD CHARTER

1. Introduction

The Board Charter ("Charter") is a charter of the Board of Directors ("the Board") of Suiwah Corporation Berhad ("the Company") and its subsidiary companies ("the Group"). The Charter sets out the principal role of the Board, the demarcation of the roles, duties and responsibilities of the Board.

The Board is accountable to its members and shareholders for the corporate governance and performance of the Company.

2. Board Structure

2.1 The Board balance and mix should be comprised of:-

- The number of directors shall be not less than 2 but not more than 15 as set out in the Company's Articles of Association;
- In accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company must ensure that at least 2 directors or 1/3 of the board of directors of the Company, whichever is higher, shall be non-executive independent directors. If the number of directors of the Company is not 3 or a multiple of 3, then the number nearest 1/3 must be used;
- The Board shall have at least 2 female directors by 2016. The Board through its Nomination Committee should take steps to ensure that women candidates are sought as part of its recruitment exercise for the Company; and
- All newly appointed directors shall retire and be re-elected by the shareholders at the Company's Annual General Meeting ("AGM"). At each AGM of the Company, an election of directors shall take place each year and all directors shall retire and be eligible for re-election once every three (3) years.

2.2 The Board through the Nomination Committee shall conduct an annual assessment of the independence of independent directors to ensure the independent director bring independent and objective judgement to the Board. The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine years, an Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director. Subject to obtaining the approval of the Company's shareholders, the Board may recommend and provide strong justification in the event it retains an Independent Director who has served a cumulative term of nine (9) years as an Independent Director of the Company.

2.3 Company Secretary

- The Company Secretary appointed by the Board plays an important role as a central source of information and advice the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and Group.
- The Board has ready and unrestricted access to the advice and services of the Company Secretaries, who are considered capable of carrying out the duties to which the post entails.
- The appointment and removal of the Company Secretary will be subjected to the approval of the Board.

2.4 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:-

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Employees' Share Option Committee

The Chairman of the relevant committees reports to the Board on the outcome of the committee meetings.

3. Roles of the Board

The Board oversees the business and affairs of the Company and will assume, amongst others, the following duties and responsibilities:-

- 3.1 reviewing, adopting and monitoring the implementation of a strategic plan for the Company to enhance the future growth of the Company;
- 3.2 overseeing the conduct of the Company's business to evaluate whether the business is properly managed;
- 3.3 identifying principal risks and ensuring the implementation of appropriate controls and systems to monitor and manage these risks;
- 3.4 succession planning including appointing, training, fixing the remuneration and where appropriate, replacement key management personnel;
- 3.5 overseeing the development and implementation of shareholders' communication policy for the Company to ensure effective communication with its shareholders and other stakeholders; and
- 3.6 reviewing the adequacy and the integrity of the Company's internal control system and management information systems, including systems for ensuring compliance with applicable laws, regulations, rules, directives and guidelines.

4. Matters Reserved for the Board

The following are matters reserved for collective decision of the Board which may be varied from time to time as determined by the Board:-

- corporate plans and programs;
- annual budgets, including major capital commitments;
- new ventures;
- material acquisitions and disposals of undertakings and properties;
- audited and quarterly financial statements;
- interim dividends;
- terms of reference of Board Committees;
- changes to the management and control structure within the Group; and
- the giving of any guarantee (with the exception of bank guarantee in connection with the operating business) or indemnity of the creation or issue of any debenture, mortgage, charge or other security or interest over its assets by the Group.

5. Roles of Managing Director

The Board will ensure that its Managing Director is an executive member of the Board. The roles of the Managing Director and Executive Director are distinct and separated to ensure a balance of power and authority.

5.1 The Managing Director is responsible for the overall leadership and functioning of the Board. The key roles of the Managing Director, amongst others, are as follows:-

- ensure that the Board functions effectively, cohesively and independently of the Management;
- providing governance in matters requiring corporate justice and integrity;
- leading the Board, including presiding over Board meetings and Group meetings and directing Board discussions to effectively use the time available to address the critical issues facing by the Group;
- promoting constructive and respectful relationship between board members and management; and
- ensure that there are effective communication between the Group and its shareholders and relevant stakeholders.

6. Roles of Executive Director

6.1 The Executive Director is responsible for the day-to-day management of the Group. The Board gives direction and exercises judgement in setting the Group's objectives and overseeing their implementation. The key roles of the Executive Director, amongst others, are as follows:-

- developing strategic direction of the Group;
- ensure that the Group's business is properly and efficiently managed by ensuring that the executive team implements the policies and strategies adopted by the Board and its Committees;
- ensure that the objectives and standards of performance are understood by the Management and employees;
- ensure that the operational planning and control systems are in place;
- monitoring performance results against plans; and
- taking remedial action, where necessary.

7. Roles of Committees

The roles and responsibilities of Audit, Remuneration and Nomination Committees are set out in the terms of reference of each Committee. The ESOS Committee administers the ESOS of the Company in accordance to the bye-laws of the scheme.

8. Board Meetings

8.1 The Board shall schedule at least 4 quarterly meetings annually. The Notice of Board Meeting, full agenda and the supporting Board Papers should be given in advance of each Board Meeting and Directors are expected to review in advance any such materials in order to facilitate meaningful deliberation during each meeting.

8.2 The Board may invite external parties such as auditors (both internal and/or external auditors), solicitors or consultants as and when the need arises. Such invited parties may attend part or all of the Board Meeting at the discretion of the Board.

9. Directors' Training and Continuing Education Program

In addition to the mandatory Accreditation Program as required by the Bursa Malaysia Securities Berhad, the Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programs. This will enable Directors to effectively discharge their duties and sustain active participation in the Board deliberations.

10. Shareholders Communication

10.1 The Board will maintain effective communications policy that enables both the Board and the Management to communicate effectively with shareholders and the general public.

10.2 The Board will ensure that the General Meetings of the Company are conducted in an efficient manner and serve as a mode in shareholders communications. These include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the General Meetings.

10.3 Shareholders can gain access to information about the Company including the summary of the Company's investor relation activities and media releases through the Company's website, www.suiwah.com.my

11. Review of Board Charter

The Board will review this Charter from time to time and make the necessary amendments to ensure that they remain consistent with the Company's objectives, current law and practices.