

## **1. INTRODUCTION**

The Board of Directors (“Board”) of Caely Holdings Bhd (“CHB” or “The Company”) is committed and adopted the principles of good corporate governance and practices in accordance with applicable laws, rules and regulations in Malaysia.

The objectives of this Board Charter are to ensure that all Board members are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct. This Board Charter also serves to promote the highest standards of corporate governance of the Group.

## **2. ROLES AND RESPONSIBILITIES**

### **2.1 Board Composition**

- (i) The Board should comprise at least two Directors or one-third of its Board (whichever is higher) are independent Directors. If a vacancy in the Board results in non-compliance with the required composition, the vacancy must be fulfilled within 3 months (paragraph 15.02 of the Listing Requirements).
- (ii) The current Board members brings with them years of experience in various fields of expertise, ranging from business, accountancy and legal to manufacturing of undergarments in order to reach effective decisions in governing the Group.
- (iii) The presence of the Independent Directors is essential as they provide unbiased and independent view, advice and judgment as well as safeguard the interests of other parties like minority shareholders. They are independent of both the management and shareholders of the Company, and are free from any business or other conflict of interests which may interfere with the discharge of their duties and in making independent judgment.
- (iv) Election of Directors takes place each year at the annual general meeting of the Company where one third (1/3) of the Directors, or if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office and the retiring Directors are eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he/she retires.

### **2.2 Roles of the Board / Terms of Reference**

The Board is the ultimate decision making body of the Group unless there are exceptions of specific corporate decisions stated in the Companies Act, Bursa Malaysia’s Main

---

Market Listing Requirements and the Articles of Association of the Company that require the passing of ordinary or special resolutions by shareholders.

The Board is responsible for supervising the management of the business and affairs of the Corporation in a way which ensures that the interests of shareholders and stakeholders are promoted and protected. In discharging its responsibilities and facilitating its ongoing oversight of the Group, the Board has agreed to the following overall responsibilities:

- to review and approve of strategic plans;
- to review the adequacy of the Group's internal control systems;
- to identify, review and manage principal risks affecting the Group;
- to monitor corporate performance and implementation of strategies and policies;
- to ensure shareholders are kept informed of the Company's performance and major developments affecting its state of affairs;
- to approve major capital expenditure, capital management and acquisition/divestitures;
- to comply and act honestly, fairly and diligently in all aspects in accordance with the laws, rules and regulations applicable to the Group;
- to ensure that succession planning of the Directors and senior Management is in place;
- to assess and monitor the board composition, processes and performance with the guidance of the Nomination Committee;
- to monitor and review Management processes with the objective of ensuring the integrity of financial and other reporting with the guidance of Audit Committee;
- to approve the terms of reference and members of the Board committees; and
- to review and approve remuneration of Directors under the guidance of the Remuneration Committee;

## **2.3 Roles of Executive Chairman and Group Managing Director**

The roles of Executive Chairman and Group Managing Director are distinct and separate with a clear division of responsibilities. This is to ensure balance of authority, accountability and a greater capacity for independent decision making and that no individual or group dominates the decision making process.

### **2.3.1 Roles of Executive Chairman**

The Executive Chairman assumes the formal role of a leader and chairs all Board meetings so that the Board and its Committees function effectively. Other key roles of the Executive Chairman are:

- Leading the Board in its duties to the Group;
- Ensuring that the processes and procedures are in place to evaluate the performance of the Board, its Committees and its individual directors;
- Facilitating effective reviews, analysis and discussions at Board meetings; and
- Ensuring effective communication with shareholders and stakeholders.

### **2.3.2 Roles of Group Managing Director (MD)**

The Group MD assumes the overall responsibilities for the implementation of the Group's strategies and is accountable to the Board for the day-to-day management and operations of the Group's business. The key roles of the Group MD, among others, are:

- Developing strategic directions;
- Ensuring that corporate strategies and policies are implemented effectively;
- Ensuring that the Group's resources are effectively managed;
- Keeping the Board informed of all important aspects of the Group's operations; and
- Providing sufficient information is distributed among the Board members;

### **3. DELEGATION OF POWERS**

The Board may from time to time establish committees as it considers necessary or appropriate to assist it in carrying out its responsibilities. To assist the Board in fulfilling its duties and responsibilities, it has established the following Committees:

- Audit Committee;
- Nomination Committee; and
- Remuneration Committee

Each Committee has a formal Terms of Reference and has been granted certain delegations. These Committees shall undertake in-depth deliberations of the issue at hand before tabling its recommendation thereon to the Board.

If necessary, any Board member can request to seek independent professional advice to discharge its duties effectively at the Company's expense. Approval must be obtained from the Board prior to incurring such expenses on behalf of the Company.

### **4. MEETINGS**

Meetings of the Board shall be held at least four times each financial year. Any Board member may call for further meetings if appropriate and required.

The Directors shall have access to all information within the Group to enable them to discharge their duties. Reasonable notice of meetings and the business to be conducted and appropriate information shall be given to Board members prior to each meeting. Minutes on deliberations and conclusion of issues raised are taken for all Board meetings and its Committees and they circulated to all Directors.

All proceedings of the Board, including papers submitted and presentation, shall be kept confidential and will not be disclosed or released to any person other than Board members unless it is required by law or the Board has consented and agreed.

### **5. CONFLICT OF INTEREST**

Directors must advise the Board on an on-going basis of any interest that could potential conflict with those of the Company. If there is any matter to be discussed at Board

meeting which would involve any Director (s) having a material conflict of interest, then the Director(s):

- will declare the conflict of interest;
- will not receive any relevant papers on the subject matter;
- will not be present at the meeting whilst the matter is considered; and
- will not participate in any decision on the matter or be informed the decision has been taken.

## **6. DIRECTORS' TRAINING AND DEVELOPMENT**

All newly appointed Directors must complete the Mandatory Accreditation Programmed as required by Bursa Malaysia. Board members are encouraged to participate in training programmes conducted by competent professionals and which are relevant to the Group's operations and business. The Board evaluates the training needs on a continuous basis and determines the areas that would further their understanding of the issues facing the Group. Directors may request that training programmes on specific subjects to be arranged in order to facilitate them in discharging their duties effectively.

## **7. BOARD DIVERSITY**

The Board, at all times, welcomes and promotes diversity and gender mix in its composition so as to give due recognition to the financial, technical, legal and business experience of the Directors. The Board has always believed the inclusion of diverse nationality and gender mix on its Board member can widen the Board's scope in discharging its duties and responsibilities as well as the decision making process.

## **8. GENERAL**

This Board Charter is not an all-inclusive document and should be read as a broad expression of principles. The Board has endorsed this Board Charter and the Board will review it from time to time to ensure that the Group continues to adopt the best practices of corporate governance.