



WZ SATU BERHAD

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# WZ SATU BERHAD

(666098-X)

(Incorporated in Malaysia)

## BOARD CHARTER

## 1. INTRODUCTION

The Board of Directors (“**the Board**”) of WZ Satu Berhad (“**WZS**” or “**the Company**”) is fully committed to ensuring that the highest standard of corporate governance including accountability and transparency is practised by the Company and throughout its group of subsidiaries (“**Group**”) as a fundamental part of discharging its responsibilities to protect and enhance long-term shareholders’ value and all stakeholders’ interest.

This Board Charter incorporates the Principles and Practices of the Malaysian Code on Corporate Governance (“**MCCG**”) as considered appropriate, Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) on corporate governance, certain aspects of the Company’s Constitution and relevant portions of the Companies Act 2016 (“**CA2016**”) in so far as the duties and responsibilities of Directors are concerned.

## 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.

This Board Charter shall serve as source of reference and primary induction literature to provide insights to existing and prospective Board members in their performance and discharge of their fiduciary duties and responsibilities.

## 3. THE BOARD

### 3.1 Board Composition and Board Balance

- (1) The Constitution of the Company provides for a minimum of three (3) and a maximum of fifteen (15) Directors. At any one time, at least two (2) directors or one-third (1/3) of the Board, whichever is higher, shall be Independent Directors.
- (2) In line with Practice 4.1 of the MCCG, the Company shall strive to fulfill the recommendation that at least half of the Board comprises Independent Directors.
- (3) The Independent Directors are independent of Management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

- (4) The Board will appoint a Chairman of the Board from among the Directors.
- (5) The position of the Chairman and Managing Director/Group Chief Executive Officer (“**CEO**”) must be held by different individuals. The distinct and separate roles of the Chairman and Managing Director/Group CEO, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.
- (6) The Board should be of a size and composition with the benefit of diversity in skills, experience, age, cultural background and gender, perspectives and skills that are conducive to effective decision making and effective discharge of its roles and responsibilities for the benefit of the Company.
- (7) The Board through the Nomination Committee shall review the size and composition of the Board and Board Committees, which include the skill sets, experience and functional knowledge of its members on a periodic basis, to ensure an appropriate balance of skills, experience and diversity.

### **3.2 Appointments and Re-elections of Directors**

- (1) The Nomination Committee is responsible for identifying and nominating suitable candidates for appointments to the Board for approval, either to fill vacancies or as addition to meet the changing needs of the Company.
- (2) In identifying candidates for appointment of Directors, the Board does not solely rely on recommendations from existing Board members, Management or major shareholders. The board shall endeavour to utilise independent sources (e.g. directors’ registry and open advertisements or use independent search firms) to identify suitably qualified candidates.
- (3) The appointment of a new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the Nomination Committee.
- (4) In making the evaluation, the Nomination Committee and the Board will consider the required mix of skills, character, experience, integrity, competence, time commitment, diversity and other qualities, where appropriate.
- (5) In accordance with the Company’s Constitution, all Directors who are appointed by the Board may only hold office until the following Annual General Meeting (“**AGM**”) subsequent to their appointment and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are required to retire by rotation at that AGM.
- (6) The Company’s Constitution also provides that one-third (1/3) of the remaining

Directors be subject to re-election by rotation at each AGM provided always that all Directors including the Managing Director/Group CEO shall retire from office at least once every three (3) years but shall be eligible for re-election.

### 3.3 Independence

- (1) An Independent Director means a director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company. Without limiting the generality of the foregoing, an Independent Director is one who:
  - (a) is not an executive director of WZS or any related corporation of WZS (each corporation is referred to as “**said Corporation**”);
  - (b) has not been within the last 2 years and is not an officer (except as a non-executive director) of the said Corporation. For this purpose, “officer” has the meaning given in section 2 of the CA2016;
  - (c) is not a major shareholder of the said Corporation;
  - (d) is not a family member of any executive director, officer or major shareholder of the said Corporation;
  - (e) is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
  - (f) has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Securities or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by Bursa Securities; or
  - (g) has not engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities.
- (2) The tenure of an Independent Director may exceed a cumulative term of nine (9) years. However, if the Board intends to retain the Independent Director beyond nine (9) years, the Board should justify and seek annual shareholders' approval, upon the recommendation from the Nomination Committee.
- (3) If the Board continues to retain the Independent Director after the twelfth (12th) year, the approval of shareholders will be sought through two-tier voting process as described in the Guidance to Practice 4.2 of the MCCG.
- (4) Such Independent Director shall continue to act as Director and to be re-designated as Non-Independent Director if the abovementioned shareholders' approvals are not

obtained.

### **3.4 Other Directorships**

- (1) As per Bursa Securities MMLR Paragraph 15.06, a Director of listed issuer must not hold more than five (5) directorships in listed issuers. Any Director is, while holding office, at liberty to accept other Board appointment(s) in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his duty as a Director of the Company.
- (2) In line with best corporate governance practices, the Board should set out expectations on time commitment for its members and protocols for accepting new directorships in other companies. In this instance, Board members are expected to achieve at least 50% attendance of total Board Meetings in any applicable financial year.
- (3) Prior to the acceptance of new board appointment(s) in other companies, the Directors should notify the Chairman of the Board and/or the Company Secretary in writing. The said notification should include an indication of time that will be spent on the new appointment.

### **3.5 Directors' Remuneration**

- (1) The remuneration of the Directors (both Executive and Non-Executive) are subject to review and recommendation by the Remuneration Committee.
- (2) The Board had established a formal and transparent Remuneration Policy as a guide for the Board and the Remuneration Committee to determine the remuneration of Directors and Key Senior Management of the Company, which take into account the demands, complexities and performance of the Company as well as skills and experience required.

A copy of the Remuneration Policy of Directors and Key Senior Management is available on the Company's corporate website on [www.wzs.my](http://www.wzs.my).

- (3) The remuneration policy for Executive Directors is based on the executive functions and responsibilities as well as contribution and performance of each Executive Director to the business of the Company.
- (4) The Non-Executive Directors will receive Directors' fees not linked to profits/turnover or performance of the Company, but with consideration of role, responsibilities and time commitment to the Company, inclusive of their roles in the Board Committees of the Company.
- (5) The Board shall determine the remuneration of Executive Directors and Non-Executive

Directors taking into consideration the recommendations of the Remuneration Committee. The Executive Directors concerned play no part in the decision on their own remuneration. The remuneration of the Non-Executive Directors is a matter for the Board as a whole, with individual Director abstaining from discussion of their own remuneration.

- (6) The total amount of Directors' fees and benefits payable to the Directors is subject to annual shareholders' approval at a general meeting.

### **3.6 Directors' Training and Continuing Education**

- (1) All newly appointed Directors have to complete the Mandatory Accreditation Programme (MAP) as required by Bursa Securities and undergo the Company's orientation and education program for new Directors. The orientation will be facilitated by the Management, to provide new Directors with overview of the Company's vision and mission, nature of business, aspirations and current plans.
- (2) All Directors are encouraged to attend relevant external training sessions, seminars, forums and conferences, particularly on corporate ethics and integrity matters, risk management, the latest development or changes in statutes, relevant regulatory requirements and corporate governance practices, etc that are conducive to discharging their roles, functions and duties effectively. All costs incurred ancillary or incidental to the training shall be borne by the Company.
- (3) The Board, assisted by the Nomination Committee, shall evaluate and determine the training needs of its Directors on an on-going basis by determining areas that would best strengthen their contribution to the Board.

### **3.7 Diversity**

- (1) The Board recognises that board diversity is an essential element contributing to the sustainable development of the Company and does not discriminate on the basis of ethnicity, age, gender, nationality, political affiliation, religious affiliation, marital status, education background or physical ability.
- (2) The Board has established a Diversity Policy which sets out the approach to diversity on the Board and Key Senior Management of the Group and it is available at the Company's corporate website at [www.wzs.my](http://www.wzs.my).
- (3) In making recommendation of suitable candidates, the Nomination Committee shall consider the following: -
  - Qualifications;
  - Mix of skills;
  - Background and character;

- Experience;
  - Integrity and professionalism;
  - Competence;
  - Functional knowledge;
  - Time commitment;
  - In the case of candidates for the position of Independent Directors, whether the test of independence under the MMLR of Bursa Securities is satisfied.
- (4) The appointment of Key Senior Management is based on character, experience, integrity, competency and time to discharge their role.

## **4. BOARD ROLE**

### **4.1 Duties and Responsibilities of the Directors**

- (1) The Director shall at all times exercise his powers for a proper purpose and in good faith in the best interest of the Company and shall act honestly and use reasonable care, skill and diligence in the discharge of the duties of his office and shall not make use of any information acquired by virtue of his position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company.
- (2) In line with the Guidance No. 1.1 of the MCCG, the Board has the following key responsibilities: -
- (a) together with senior management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
  - (b) review, challenge and decide on Management's proposals on matters for the Company including corporate strategy, business plan and budget, and monitor the implementation by Management;
  - (c) review and approve strategic plans to ensure that such strategic plans of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
  - (d) oversee the conduct of the Group's business to evaluate and assess management performance to determine whether the business is being properly managed;
  - (e) ensure there is a sound framework for internal controls and risk management;
  - (f) assess and identify the principal risks of the Group's business in recognition that business decisions involve the taking of appropriate risks;

- (g) 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;
- (h) ensure that Key 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;
- (i) ensure that the Group has in place procedures to enable effective communication with stakeholders;
- (j) ensure the integrity of the Company's financial and non-financial reporting;
- (k) review and approve succession planning, including appointing, training, compensating and where appropriate replacing Key Senior Management; and
- (l) develop and implement investor's relations programme and shareholder's communication policy for the Group.

#### **4.2 Matters Reserved for the Board**

The following list of matters are reserved for the Board's attention and approval, except where they are expressly delegated by the Board to a Board Committee, the Chairman, or the Managing Director/Group CEO:-

- (1) approval of strategic directions/corporate plans;
- (2) approval of annual budget;
- (3) expenditures/capital expenditures or transactions exceeding the Limits of Authority ("LOA") of the senior management;
- (4) approval of new investments, divestments, mergers and acquisitions, corporate restructuring, including the establishment of subsidiaries, joint ventures or strategic alliances both locally and abroad;
- (5) approval of material acquisitions and disposals of undertakings and properties not in the ordinary course of business;
- (6) approval of unaudited quarterly financial results and audited annual financial statements;
- (7) appointment of new Directors, Board Committee members, Managing Director/Group CEO and other Key Senior Management positions and the Company Secretary;
- (8) succession planning, including where appropriate, replacing Key Senior Management personnel;
- (9) declaration of dividends;
- (10) approval of remuneration for Directors including fees, allowances, and benefits-in-kind;
- (11) related party transactions and capital financing; and
- (12) any matters and/or transactions that fall within the ambit of the Board pursuant to the

CA2016, MMLR of Bursa Securities, Company's Constitution, Terms of Reference ("TOR") of respective Board Committees or any other applicable laws.

### 4.3 Individual Director

Every Director must, in the performance of his/her duties as a Director:-

- (1) at all times act not only in good faith and honesty, but also in the best interests of the Company and promote WZS's success for all its shareholders as a whole by exercising independent judgement with reasonable care, skill and diligence, whilst having regard to, among other matters, the interests of employees, the fostering of business relationships with customers, suppliers and others, and the impact of the Group's operations on the communities in which the business operates and the natural environment.
- (2) take an active interest in the Group's affairs, obtain a general understanding of its business and follow up anything untoward that comes to his/her attention.
- (3) only exercise powers (such as the power to delegate) in accordance with the terms for which he/she is granted and for a proper purpose, and act in accordance with the Company's Constitution.
- (4) ensure that the Group complies fully with the relevant rules, regulations and laws.
- (5) provide entrepreneurial leadership of WZS, within a framework of prudent and effective controls which enables risk to be assessed and managed.
- (6) help set the Group's values and standards, and ensure that WZS's obligations to its customers, shareholders, finance providers, regulators and others are understood and met.
- (7) shall not make use of any information acquired by virtue of his position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company.
- (8) shall at all times avoid conflicts of interest and shall as soon as practicable after the relevant facts have come to his/her knowledge, declare the nature of his/her interest (direct or indirect) in a proposed transaction or arrangement with WZS at a meeting of the Directors of the Company. Every Director shall give notice to the Company of such events and matters relating to him/her as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the CA2016.

#### 4.4 Chairman of the Board

- (1) The Board will appoint a Chairman from among the Directors. The Chairman leads the Board and is responsible for the effective performance of the Board.
- (2) The responsibilities of the Chairman of the Board, amongst others, are as follows: -
  - (a) to provide leadership to the Board, and oversee the Board in the effective discharge of its fiduciary duties;
  - (b) to set the Board agenda and ensure the Board members receive complete and accurate information in a timely manner;
  - (c) to lead in discussions at meetings and ensure efficient and effective conduct of the Board meetings;
  - (d) to encourage active participation and allow dissenting views to be freely expressed;
  - (e) to promote constructive and respectful relations between Board members and manage the interface between the Board and Management;
  - (f) to facilitate effective communication between the Board and the stakeholders;
  - (g) to lead the Board in establishing and monitoring good corporate governance practices in the Company;
  - (h) to assist with developing the Company's corporate strategy, building a pipeline of potential merger and acquisition transactions, growing the Company's market profile and establishing new corporate relationships;
  - (i) to work with Management in reviewing plans, defining issues, maintaining accountability and in any marketing efforts that would allow to effectively position the Company with investors to facilitate growth;
  - (h) to commit time necessary to discharge effectively his role as Chairman.

#### 4.5 Managing Director/Group CEO

- (1) The Managing Director/Group CEO is primarily accountable for overseeing the day-to-day operations to ensure the smooth and effective running of the Group.
- (2) The responsibilities of the Managing Director/Group CEO, includes the following:-
  - (a) to develop and implement corporate strategies and short- and long-term business plans of the Group;
  - (b) to ensure strategies and corporate policies are effectively implemented;
  - (c) to ensure Board decisions and directions are implemented;
  - (d) to supervise heads of divisions and departments who are responsible for all function contributing to the success of the Group;
  - (e) to providing strong leadership to the management team and employees of the Group;
  - (f) to keep the Board fully informed of all material and other relevant matters of the Company's operations and ensuring sufficient information is distributed to Board members in an accurate and timely manner; and

- (g) to ensure the day-to-day business affairs of the Group are effectively and efficiently managed;

#### **4.6 Executive Directors**

- (1) In essence, the conduit between the Management and the Board in ensuring the success of the Company's human resources, financial management and governance function. The Executive Directors are responsible for the effective implementation of the Group's human resources plan and policies established by the Board as well as to oversee the financial conduct of the business to ensure its smooth and efficient operations.
- (2) The responsibilities of the Executive Directors include, but are not limited to the following: -
  - (i) to ensure the efficient and effective day-to-day management of the Company with all powers, discretions and delegations authorised by the Board;
  - (ii) to establish and implement the strategic direction of the Company as approved by the Board;
  - (iii) to make recommendations to the Board relating to the business and operations of the Company;
  - (iv) to identify and to ensure all material matters affecting the Company are brought to the attention of the Board; and
  - (v) to carry out any other duties and responsibilities as assigned by the Board of Directors and/or Managing Director/Group CEO from time to time.
- (3) In discharging the above responsibilities, the Executive Directors can delegate appropriate functions to any member of senior management, who shall report to the Executive Directors.

#### **4.7 Independent Non-Executive Directors**

- (1) The Independent Non-Executive Directors are not engaged in the day-to-day management of the Company and are expected to be vigilant guardians of the activities of the Board as a whole.
- (2) The Independent Non-Executive Directors are expected to focus on Board matters and not stray into 'executive direction', thus providing an independent view of the Company that is removed from the day-to-day running. They are appointed to the Board to bring independence, impartiality, wide experience, special knowledge and personal qualities.
- (3) The Independent Non-Executive Directors have a supervisory role in ensuring that a solid foundation for good corporate governance is provided to the Group and are required to:

- (a) support the Chairman in ensuring that the Board provides effective direction for, and oversight of, the management of the Group and its compliance with its statutory and regulatory responsibilities.
- (b) provide input into the setting of the Group's strategic aims, the development of deliverable plans to achieve these objectives, and the assessment of the effectiveness of the delivery by the Management of these plans.
- (c) constructively challenge and help develop proposals on strategies, and then fully empower and support the Executive Directors to implement the strategies.
- (d) bring independent and external dimension as well as constructive and informed comments on the Group's strategies, policies, performance, accountability, resources, key appointments and standards of conduct, through regular attendance and active participation in the Board/Board Committees meetings.
- (e) complement the skills and experience of the Executive Director, in particular through constructive probing based on review and analysis that brings to bear a wide range of skills, knowledge, experience and insight from other businesses and sectors.
- (f) demonstrate the financial literacy required for a proper understanding of the Group's activities and associated risks.
- (g) satisfy themselves on the adequacy and integrity of financial and other reporting to the Board and shareholders and that the systems in place provide robust and effective financial, operational and compliance controls and risk management.
- (h) determine remuneration strategy for the Company and appropriate levels of remuneration for the Executive Director and the Key Senior Management, and have a prime role in succession planning.
- (i) take the lead where potential conflicts of interests arise regarding matters in which the specific interests of the Management and the wider interests of the Group may at times diverge, for instance, the remuneration of Key Senior Management and the selection of Board members.
- (j) serve on the audit, remuneration, nomination and other governance committees, if invited.
- (k) develop a balanced understanding of shareholders' views through meeting shareholders at general meetings, as those views may provide different perspectives on the Group and its performance.

## 4.8 Board Committees

- (1) To assist the Board in fulfilling its duties and responsibilities, the following Board Committees were established: -
  - (i) Audit Committee;
  - (ii) Nomination Committee;
  - (iii) Remuneration Committee;
  - (iv) Syariah Advisory Committee;
  - (v) Investment Committee; and
  - (vi) Long Term Incentive Plan Committee.
- (2) The said Board Committees operate within clearly defined roles and responsibilities as set out in the TOR of each of the committees. The Board Committees report to the Board on their deliberations, findings and recommendations.
- (3) The Chairmen of the respective Board Committees report to the Board on matters dealt with at their respective Board Committees Meetings. Minutes of the respective Board Committees are presented at the Board meetings for further notation. While these Board Committees have the authority to deliberate on matters delegated to them, all decisions and/or recommendations made by these Board Committees will be brought to the attention of the Board, which is collectively responsible for the decisions made.
- (4) Details of the membership, TORs and summary of the duties and responsibilities of the respective Board Committees are available on the Company's website on [www.wzs.my](http://www.wzs.my).
- (5) Audit Committee

The Audit Committee must consist of no fewer than three (3) members. All the members shall be Non-Executive Directors with majority of them being Independent Non-Executive Directors and shall not comprise any alternate directors of the Company.

The key responsibilities of Audit Committee are to ensure reliability and integrity of the Company's financial accounting and reporting, disclosure, risk management and monitoring of internal control processes within the Company. The Audit Committee meets regularly to, amongst others; review the quarterly results, full year financial statements, audit reports which include observations pertaining to risk management and internal controls, as well as related party transactions.

- (6) Nomination Committee

All of the members of the Nomination Committee must be Non-Executive Directors, and majority of them must be Independent Non-Executive Directors while the Chairman of the Nomination Committee must be an Independent Non-Executive Director of the Company.

The Nomination Committee is responsible for establishment and review of the policies and procedures for appointment of Directors and Board Committees members of the Company. It also oversees the nomination of Directors, assessment of performance and contribution of Directors and review of the required structure, size and composition (including the skills, knowledge and experience) of the Board as well as determine the training needs and recommend training programmes for Directors.

(7) Remuneration Committee

The members of the Remuneration Committee should only consist of Non-Executive Directors and a majority of them must be Independent Non-Executive Directors, drawing advice from experts, if necessary. The Chairman of the Remuneration Committee must be an Independent Non-Executive Director.

The Remuneration Committee is responsible for establishing and reviewing the Board remuneration policies and procedures to attract and retain Directors. It also reviews and recommends to the Board the annual remuneration package of each individual Director.

(8) Shariah Advisory Committee

The composition of the Shariah Advisory Committee shall consist a minimum of four (4) members: -

- (a) Chairman;
- (b) Shariah Advisor; and
- (c) Management representative(s) from the Company.

The Shariah Advisory Committee was established to perform an oversight role on Shariah matters related to the Group's business operations and activities. The Shariah Advisory Committee shall be responsible and accountable for all its decisions, views and opinions related to Shariah matters. The Shariah Advisory Committee shall ensure that decisions are made after undergoing rigorous and robust research and deliberation exercises.

(9) Investment Committee

The members of the Investment Committee shall comprise at least three (3) individual members, all of whom shall be appointed by the Board.

The Chairman of the Investment Committee shall be elected from amongst the Investment Committee members to be the Chairman of meetings. The Chairman of the Investment Committee shall be approved by the Members of the Investment

Committee.

The principle objective of the Investment Committee is to make day-to-day investment decisions up to the pre-approved limit determined by the Board of Directors.

(10) Long Term Incentive Plan Committee

The members of the Long Term Incentive Plan Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and shall consist of not less than three (3).

The Chairman of the Long Term Incentive Plan Committee shall be elected from amongst the Long Term Incentive Plan Committee members to be the Chairman of meetings. The Chairman of the Long Term Incentive Plan Committee shall be approved by the Members of the Long Term Incentive Plan Committee.

The Long Term Incentive Plan Committee was established to implement and administer the Executive Share Option Scheme and Executive Share Grant Scheme.

## **5. BOARD OF DIRECTORS' MEETINGS AND SUPPLY OF INFORMATION**

- (1) The Board shall conduct at least four (4) scheduled meetings in each financial year, with additional meetings convened as and when the Board's approval and guidance is required.
- (2) All meetings shall be chaired by the Chairman of the Board. In the absence of the Chairman to preside over the Board meeting, the Directors present shall choose one of their number to be Chairperson of the meeting.
- (3) The Board has sole authority over its meeting agenda and exercises this through the Chairman of the Board. Any Director may, through the Chairman, request the addition of an item to the agenda.
- (4) Unless otherwise determined by the Directors from time to time, seven (7) days' notice of all Directors' meeting shall be given to all Directors. Any Director may waive notice of any meeting either prospectively or retrospectively.
- (5) Board papers shall be provided to Directors within a reasonable timeframe prior to the relevant meeting to enable them to familiarise on the issues /matters to be discussed and participate in an informed manner. A set of Board papers for each item of agenda, including financial reports and notices are promptly sent to Directors at least seven (7) days prior to any Board meeting.

- (6) Directors will use their best endeavour to attend Board meetings. Directors who are unable to attend a meeting should advise the Chairman at the earliest date possible and notify/confirm his or her absence to the Chairman or the Company Secretary of the Company.
- (7) The quorum necessary for the transaction of business of the Directors shall be three (3). If there is no quorum, the meeting may be adjourned to another day by the unanimous vote of all those present, at which at the adjourned meeting, two (2) shall be a quorum.
- (8) Individual Directors shall attend at least 50% of the Board Meetings held in each financial year. The office of a Director shall become vacant if a Director is absent from more than 50% of the total Board Meetings held during a financial year.
- (9) A member of the Board or Board Committees, may participate in a meeting of the Directors or a meeting of Board committee by means of a conference telephone, electronic or any communication facilities which allows all persons participating in the meeting to hear each other. A participant shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly notwithstanding the fact that he is not physically present at the venue where the meeting is to be held. The meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Chairman of the meeting then is.
- (10) The Company Secretary shall attend all Board and Board Committee meetings. Senior management is invited to attend Board and Committee Meetings to provide inputs as and when necessary. Auditors, other professional advisors and consultants may also be invited to brief the Board on specific areas as required.
- (11) Any question arising at a Board Meeting is decided by a majority of votes after due discussion and deliberation, and in case of an equality of votes, the Chairman of the meeting has a second and casting vote subject to the Company's Constitution. A Director is required to abstain from deliberations and voting in respect of any contract or proposed contract or arrangement in which he/she has direct or indirect interest. The Chairman and the Board may, if deemed necessary and appropriate, request an interested Director to excuse himself / herself in the deliberation.
- (12) Board discussions will be open and constructive, recognising that genuinely held differences of opinion could bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek a consensus in the Board but may, where considered necessary, call for a vote. The proceedings of the Board meeting shall be properly minuted by the Company Secretary and all Board members should ensure that the minutes of meetings accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberating on a particular matter.

- (13) A resolution in writing signed by a majority of all Directors shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted. All such resolutions shall be described as “Directors' Resolution In Writing” and any such resolution may consist of several documents in the like form, each signed by one (1) or more Directors. A signed Directors' Resolution In Writing transmitted by facsimile (fax) or any other electronic means shall be deemed to be an original.

### **5.1 Access to Information/Independent Advice**

- (1) Directors are entitled to request and receive additional information they consider necessary in order to make informed decisions, including the following: -
- (a) obtaining full and unrestricted access to any information pertaining to the Company;
  - (b) obtaining full and unrestricted access to the advice and services of the Company Secretary; and
  - (c) obtaining professional independent advice, with the Chairman's prior written consent, at the Company's expense. The Director should provide notice to the Company Secretary of the intention to seek independent advice and shall provide the name(s) of the professional advisors proposed to be engaged, together with a brief summary of the subject matter on which professional advice is being sought. In the event that one or more Directors seek to appoint one or more advisors on the same or similar matter(s), the Chairman shall initiate discussions to reach consensus on the advisor to be engaged.
- (2) Directors are expected to strictly observe confidentiality of the Company's information. Directors are refrained from making improper use of information gained through the position of Director for their own interest, or their employees' interest, if applicable.

### **6. BOARD EFFECTIVENESS ASSESSMENT**

- (1) The Nomination Committee reviews annually the effectiveness of the Board and Board Committees as well as the performance of individual Directors.
- (2) The Company has introduced the Board Effectiveness Assessment (“**BEA**”) questionnaire for evaluation of the performance of the Board, Board Committees and individual Directors.
- (3) The evaluation takes place annually and involves Directors completing the BEA questionnaire, covering the Board and Board Committees processes and, the

effectiveness and contribution of each of the Directors to the Board and Board Committees.

- (4) The Directors' responses are collated and a comprehensive summary of the findings and recommendations will be submitted to the Nomination Committee for deliberation, after which, the findings and recommendations are escalated to the Board for further review and proposed actions.
- (5) The deliberations of the Nomination Committee on the findings of the BEA are duly minuted at the meetings of the Nomination Committee and Board.
- (6) The BEA exercise will include the Directors' feedback on areas which affect the performance of the Board which, amongst others, include the following:
  - (a) Board mix and composition;
  - (b) Quality of information and decision making
  - (c) Boardroom activities
  - (c) Composition of the Board Committees
  - (d) Contribution and performance of the Board Committees
- (7) The Board shall consider engagement of suitably qualified and competent experts/consultants to facilitate objective and candid board evaluations for BEA, if necessary.

## **7. COMPANY SECRETARY**

- (1) The Board shall appoint one or more suitably qualified and competent person(s) as Company Secretary or joint Company Secretaries in line with the requirements of the CA2016 to discharge their responsibilities.
- (2) The Company Secretary shall report directly to the Board. The appointment and removal of the Company Secretary is subject to the approval of the Board.
- (3) The office of the Company Secretary shall be vacated if the Company Secretary resigns by notice in writing to the Company left at the Registered Office of the Company. Where a Company Secretary gives notice of resignation to the Directors, the Company Secretary shall cease to act as Company Secretary with immediate effect or on the date specified in such notice (as the case may be).
- (4) The roles and responsibilities of the Company Secretary shall include but not limited to the following: -
  - (a) manage all Board and Board Committees meetings' logistics, attend and record minutes of all Board and Board Committees meetings and facilitate Board communications;
  - (b) advise the Board on its roles and responsibilities;

- (c) facilitate the orientation of new Directors and assist in director training and development;
- (d) advise the Board on corporate disclosures and compliance with the Company's Constitution as well as the CA2016, MMLR and MCCG;
- (e) manage processes pertaining to the general meetings;
- (f) monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;
- (g) serve as a focal point for stakeholders' communication and engagement on corporate governance issues;
- (h) carry out other functions as deemed appropriate by the Board from time to time; and
- (i) undertake the statutory duties as prescribed under the CA2016 and the MMLR of Bursa Securities.

## **8. INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION**

- (1) The Board shall maintain an appropriate investor relations and communication policy which encourages shareholders' participation at general meetings and promotes effective communication with shareholders, stakeholders and the public.
- (2) To enable effective communication with stakeholders, the Company has established a Corporate Disclosure Policies and Procedures in order to provide guidance in disseminating corporation information, and in dealing with shareholders, stakeholders, analysts, media, regulators and the investing public.
- (3) The Board is to place emphasis in promoting effective communication and proactive engagements with the Company's shareholders. The Board shall also ensure high standards of transparency and accountability in its communication with shareholders, as well as with potential investors, analysts and the public. The shareholders shall be informed of all material matters affecting the Company and Group.
- (4) The Board ensures timely release of financial results on a quarterly basis to provide the shareholders with an overview of the Company's performance and operations in addition to the various announcement made during the year to Bursa Securities.
- (5) The Board shall ensure the Company leverage on information technology for effective dissemination of information through the Company's website to provide easy access to corporate information pertaining to the Company and its activities to the general public and it is continuously updated.
- (6) The Board shall adopt the following measures in relation to the effective communication with the shareholders of the Company during the general meeting:-

- (a) Notice of Annual General Meeting should be given to the shareholders at least 28 days prior to the Annual General Meeting.
- (b) The notice should provide further explanation for the resolution proposed to enable shareholders to make an informed decision in exercising their voting rights.
- (c) All Directors should commit to attend all general meetings of the Company in order to provide an opportunity for the shareholders to effectively engage with each Director.
- (d) Open sessions for questions and answers are made available to shareholders during general meetings and the Chairmen of the Board and Board Committees should provide meaningful response to questions address to them.

## 9. CODE OF ETHICS AND CONDUCT FOR DIRECTORS AND EMPLOYEES

The Company has in place the Code of Ethics and Conduct (“**the Code**”) which is formulated to enhance corporate governance and the standards of professional and ethical practices of Directors and employees of the Group.

The Code sets out the general principles and standards of business conduct and ethical behaviour for the Directors and employees in the performance and exercise of their responsibilities as Directors and employees of the Group or when representing the Group and includes the expectation of professionalism and trustworthiness from the Directors and employees.

All Directors and employees of the Group must endeavour to observe the Code which provides guidance as to the ethical conduct to be complied to uphold the principles of honesty and integrity, to ensure a high standard of ethical and professional conduct is upheld in the performance of their duties and responsibilities.

A copy of the Code is available on the Company’s website at [www.wzs.my](http://www.wzs.my).

## 10. WHISTLE-BLOWING

The Whistle-Blowing Policy and Procedures provide an avenue for any Director, officer, employee and members of the public to report instances of unethical, unlawful or undesirable conduct on a confidential basis without fear of intimidation or reprisal. Nothing in this policy shall interfere with other established operational policies and processes. All disclosures pursuant to this policy are to be made to the Audit Committee’s Chairman. The Board shall be apprised of disclosure matters which are serious in nature or of grave repercussions.

Confidential reports can be channelled online via this email address: [whistle@wzs.my](mailto:whistle@wzs.my).

The Whistleblowing Policy and Procedures is available on the Company's website at [www.wzs.my](http://www.wzs.my).

## **11. ADDITIONAL RESOURCES**

The Board may visit the Company's corporate website at [www.wzs.my](http://www.wzs.my) to access the following Group's policies and other related information: -

- (a) Diversity Policy;
- (b) Corporate Disclosure Policy and Procedures;
- (c) Policy on Provision of Non-Audit Services by External Auditors;
- (d) Remuneration Policy; and
- (e) Sustainability Policy.

## **12. REVIEW OF THE BOARD CHARTER**

The Board will review this Board Charter from time to time and make any necessary amendments to ensure they remain consistent with the Board's objectives, current laws/regulations and good governance practices.

The Board Charter is made available for reference on the Company's website at [www.wzs.my](http://www.wzs.my).