



W T K HOLDINGS BERHAD

197001000863 (10141-M)
Incorporated in Malaysia

BOARD CHARTER

1. PURPOSE

The primary purpose of this Board Charter is to outline the structure, responsibilities, rights and procedures of the Board of Directors of W T K Holdings Berhad (“the Company” or “WTK”).

This Board Charter supplements and does not in any way supercede the provisions of the Company’s Constitution (“Constitution”), the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements of Bursa”) or any other legislations or regulations.

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 regulations affecting their conduct and to ensure that the principles of good Corporate Governance are applied in all their dealings, for and on behalf of the Company.

3. BOARD LEADERSHIP

The Board of Directors of the Company (“the Board”) should provide leadership and vision to the Company, in a way that will enhance shareholders’ value and ensure long-term sustainable development and growth of the Company.

The running of the Board and the executive responsibility for the running of the Company’s business are the two key tasks at the top of the Company. There should be a clear division of responsibilities at the head of the Company to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

The roles of the Chairman and the Managing Director (“MD”) are separate, with responsibilities divided between them.

3.1 The Chairman and Deputy Chairman

- a) The Chairman has no executive functions.
- b) The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board.
- c) The Chairman is responsible for representing the Board to the shareholders.
- d) The Chairman must ensure that the contents and order of agenda of meetings are appropriate and that members of the Board have the relevant papers in good time.

BOARD LEADERSHIP (cont'd)

- e) The Deputy Chairman shall deputise the Chairman in the absence of the Chairman or in any role as requested by the Chairman.

3.2 The MD

- a) The Board will appoint the MD and set the terms of his appointment. The MD is also the executive director of the Company.
- b) The Board will link the Company's governance and management functions through the MD.
- c) The MD has the overall responsibility for the day-to-day management of the Group to ensure the Group's businesses are properly and efficiently managed and to implement Board's policies, decisions and strategies.
- d) Only decisions of the Board acting as a body are binding on the MD. Decisions or instructions of individual members of the Board or committees are not binding except in those instances where specific authorization is given by the Board.

4. THE BOARD

4.1 Composition

- a) The Board comprises a majority of non-executive directors which provide a desired level of objectivity and independence in Board deliberation and decision-making.

At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board are Independent Directors. The Independent Directors provide independent judgment, experience and objectivity without subordinated to operational considerations. They help to ensure that the interests of all shareholders are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

The Board will ensure that its composition always complies with the requirements of the Listing Requirements of Bursa and any other applicable regulations.

- b) The Board composition must :-
 - i. ensure a wide range of skills and knowledge, views and experience, such that the common purpose, involvement, participation, harmony and sense of responsibility of Board members is not jeopardized;
 - ii. achieve the balance of skills, experience, and professional and industry knowledge necessary to meet the Company's strategic objectives; and
 - iii. take into consideration of Board's diversity (which includes business experience, skills, cultural background, ethnicity, gender and age).

4.2 Appointment

The appointment of a new Director is a matter for consideration and decision by the full Board, upon the recommendation from the Nomination Committee. In making the recommendation, the Nomination Committee will consider the suitability of the candidate taking into account his/her qualifications, credentials and core competencies and with due regard to Board's diversity.

THE BOARD (cont'd)

4.3 Qualifications for Membership

- a) The qualifications for membership of the Board are:
 - i. an appropriate knowledge, understanding and experience of the conduct of the Company's business, as well as the laws, regulations and values that govern the activities of the Company;
 - ii. the ability to make sensible and appropriate business decisions and recommendations;
 - iii. an entrepreneurial talent for contributing to the creation of shareholders' value;
 - iv. high ethical standards and sound practical sense;
 - v. ability to see the wider picture and perspective;
 - vi. integrity in personal and business dealings; and
 - vii. time and total commitment to furthering the interest of the shareholders and to achieve the Company's goals.

- b) The key competencies required for non-executive directors include:
 - i. to contribute an independent view to matters under consideration;
 - ii. an ability to add value to Board deliberations;
 - iii. an ability to clearly communicate;
 - iv. an ability to demonstrate a wide and unfettered, perspective on issues and to bring to the Board, integrity and a strong sense of ethics;
 - v. organizational and strategic awareness and an appropriate level of financial literacy;
 - vi. a knowledge of the responsibilities of a director; and
 - vii. an ability to constructively collaborate as part of a team contributing towards the successful performance of the Company.

4.4 Size of the Board

The size of the Board is dictated by the Company's Constitution, which permits a minimum of two (2) and maximum of fifteen (15) directors to be appointed to the Board.

4.5 Time Period of Office and other Offices

- a) Board members have no fixed term of appointment, but are subject to retirement by rotation and re-election in accordance with the Constitution.

- b) New Board members will only hold office until the next annual general meeting at which they will retire and become available for election.

THE BOARD (cont'd)

- c) The tenure of an Independent Director does not exceed a term limit of nine (9) years.
- d) The directorship of public listed companies held by any Board member at any one time shall not exceed the restriction in number or such other requirements as may be prescribed by the Listing Requirements of Bursa from time to time.

Each member shall notify the Chairman before accepting such new directorship and the notification shall include indication of time to be spent on the new appointment.

4.6 Age Limit for Director

The office of a Director shall become vacant when he or she attains the age of 80 years.

4.7 Reward System

- a) The Board will determine the level of remuneration paid to directors, upon recommendation from the Remuneration Committee.
- b) Levels and make-up of remuneration should be sufficient to attract and retain the Board members needed to run the Company successfully, but the Company should avoid paying more than is necessary for this purpose.
- c) Non-executive members receive only directors' fees and meeting allowances.
- d) The MD's remuneration will be reviewed annually by the Board.
- e) Executive members will be paid as employees of the Company in accordance with their contracts of employment with the Company and will receive meeting allowances for attending meetings as Directors of the Company.
- f) The remuneration of the Board is reported in the Company's annual report and financial statements.

Directors who are shareholders and controlling shareholders with a nominee or connected director on the Board should abstain from voting on the resolution to approve directors' fees at the general meeting.

4.8 Directors' Training and Continuing Education

- a) All Board members are expected to keep themselves abreast of changes and trends in the business and in the Company's environment and markets, which shall include economic, political, social, corporate governance and legal climate generally.

This will enable Board members to effectively discharge duties and sustain active participation in Board deliberation.

- b) All Board members shall attend such training programmes as may be prescribed by Bursa Malaysia Securities Berhad.
- c) The Board shall assess the training needs of the Directors from time to time.

5. ROLE OF THE BOARD

- 5.1 The Board is entrusted with the responsibility to direct and manage the business and affairs of the Company towards enhancing business prosperity and corporate accountability.
- 5.2 To discharge the Board's stewardship responsibilities, the Board assumes the following principal responsibilities: -
- a) Reviewing and adopting an overall strategic plan for the Company which supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
 - b) Overseeing the conduct of the Company's business and evaluate whether the business is being properly managed;
 - c) Identifying principal risks and ensuring implementation of appropriate risk management systems including appropriate internal controls and mitigation measures to manage such risks;
 - d) Reviewing the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
 - e) Ensuring integrity of the Company's financial and non-financial reporting;
 - f) Promote, together with senior management, a sound corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;
 - g) Ensuring the Company has in place a policy to enable effective communication with its shareholders and other stakeholders;
 - h) Ensuring that there are measures in place to provide for the orderly succession of Board members and senior management, and also ensure that senior management has the necessary skills and experience; and
 - i) Ensuring effectiveness of the Board, its committees and each individual director through assessments to be carried out with the assistance of the Board's Nomination Committee on a yearly basis.

6. CONDUCT OF THE BOARD

- a) The conduct of Board members will be consistent with their duties and responsibilities to the Company.
- b) The Directors act within limitations imposed by the Board on its activities.
- c) Directors' responsibilities and limitations are primarily set out in accordance with the best corporate governance practices, the Constitution, the Companies Act 2016, Listing Requirements of Bursa and other relevant legislations, where applicable.
- d) The Board observe high ethical business standards, honesty, professionalism and integrity at all times and to apply these values to all aspects of the Group's business and professional practice and act in good faith in the best interests of the Group and its stakeholders.

CONDUCT OF THE BOARD (cont'd)

- e) Board members use their best endeavours to attend Board meetings and to prepare themselves thoroughly. Board members are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board table. Board members who are unable to attend shall advise the Chairman at an early date.
- f) Each director has a fiduciary and statutory duty not to place themselves in a position which give rise to, or is perceived to give rise to, a real or substantial possibility of conflict, whether it be a conflict of interest or conflict of duties. Directors who have a conflicting interest must disclose to other directors any potential conflict of interest they may have with respect to any matter under discussion and, if appropriate, abstain from deliberating and voting on a matter in which they have a conflict of interest.
- g) The Board members are entitled to have access, at reasonable times, to all relevant company information in order for them to discharge their duties and responsibilities, and to make informed decision effectively. The agenda and papers for meetings should be furnished to the Directors at least five (5) business days in advance of the meetings, to enable them to prepare for these meetings. For the furtherance of his/her duties, a Board member may make further enquiries, if necessary, to the senior management, internal auditors or external auditors of the Company.

All directors should ensure that the minutes of meetings accurately reflect the deliberations and decisions of the board, including any dissenting views and if any director had abstained from voting or deliberating on a particular matter.

- h) The Board members are expected to strictly observe the provisions of the legislations/regulations applicable, to the use and confidentiality of the Company's information.

7. BOARD COMMITTEES

- 7.1 The Board is authorized to form committees, when it is efficient or necessary to facilitate efficient decision-making to assist the Board in the execution of its duties. Delegating authority to Board committees does not in any way mitigate or dissipate the discharge by the Board of their duties and responsibilities.
- 7.2 There shall be transparency and full disclosure from the committees to the Board, except where the committee has been mandated otherwise by the Board.
- 7.3 The Board committees will observe the same rules of conduct and procedures as the Board, unless the Board determines otherwise.
- 7.4 To effectively discharge its duties and responsibilities, the Board is assisted by the following committees with approved terms of reference of the respective committees:-

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Board Risk Management Committee

The terms of reference of the respective committees will be updated by the Board, as and when necessary, for each committee to effectively carry out their respective duties and responsibilities.

8. MANAGEMENT COMMITTEE

- 8.1 The Board is also supported by the Management. The Management Committee is chaired by the MD and is assisted by the Chief Financial Officer, Chief Operating Officer, Senior Finance Manager and other senior management officers.
- 8.2 The Management Committee has the responsibilities in planning and formulating business strategies, finance, operating policies and in monitoring the achievement of the business strategies of the Group. The Management Committee reports thereon to the Board on these matters.
- 8.3 The Management Committee is also entrusted with the responsibility and authority to examine particular issues and reports back to the Board with its recommendations.
- 8.4 The final decision on all significant matters proposed by the Management Committee lies with the Board as a whole.

9. MATTERS FOR THE BOARD'S ENDORSEMENT / DECISION

Significant matters which are reserved for Board's endorsement/decision amongst others, are as follows :-

- corporate or strategic directions, plans and programmes;
- annual financial statements and quarterly financial reports;
- recommendation or declaration of dividends;
- material or significant capital investment matters;
- major acquisitions or disposals of assets or businesses;
- adoption of any significant change or departure in accounting policies and practices of the Company and its subsidiaries;
- recommending amendments to the Constitution of the Company; and
- recommending to shareholders for approval on any ordinary or special resolutions in respect of the Company.

10. SENIOR INDEPENDENT DIRECTOR

- 10.1 Stakeholders and employees of the Group may convey their concerns on any matters relating to the Group to the Senior Independent Director (who is also an Independent Non-Executive Director of the Company) including whistleblowing in accordance with the Whistleblowing Policy of the Group.
- 10.2 Board members may also convey their concerns on any matters relating to the Company to the Senior Independent Director other than through the Chairman and/or the MD.
- 10.3 The Senior Independent Director will discuss concerns raised with the Chairman and/or the MD, and if required, to discuss such concerns raised at Board level.

11. SHARE DEALINGS BY BOARD MEMBERS

When dealing in the Company's shares, Board members must strictly observe the provisions of the Listing Requirements of Bursa, the Capital Markets & Services Act 2007 and all other relevant legislative or regulatory requirements/procedures as may be prescribed from time to time.

12. DIRECTORS' CODE OF ETHICS

The Board members must observe the Code of Ethics for Company Directors established by the Companies Commission of Malaysia ("Code of Ethics for Directors"). The Code of Ethics for Directors is attached as Appendix A to this Board Charter.

13. BOARD'S RELATIONSHIP WITH SHAREHOLDERS

The Company must encourage shareholders to attend its annual general meetings and extraordinary general meetings, which provide opportunities for shareholders to raise questions relating to the agenda of the meetings.

14. COMPANY SECRETARY

- 14.1 The appointment and removal of the Company Secretary is a matter of the Board as a whole.
- 14.2 The Company Secretary must maintain statutory books in accordance with legal requirements and ensure that the statutory books are in good order for due diligence purposes.
- 14.3 The Company Secretary should provide full assistance to the Board and its committees on issues including compliance with rules and procedures and statutory regulations.

15. REVIEW OF BOARD CHARTER

This Board Charter is approved by the Board and will be periodically reviewed and updated in accordance with the needs of the Company and any new regulations or laws that may have an impact on the discharge of the Board's responsibilities.

Changes to this Board Charter may only be authorized by the Board.

APPENDIX A TO BOARD CHARTER OF W T K HOLDINGS BERHAD

CODE OF ETHICS FOR COMPANY DIRECTORS ESTABLISHED BY THE COMPANIES COMMISSION OF MALAYSIA

A. INTRODUCTION

Malaysia is increasingly dependent on the private sector for sustainable growth in commercial and business activities as well as for overall economic growth, especially with the positive economic developments and the privatisation of national operations such as the postal service, telecommunications, power generation and sewerage system providing disclosure of company reports and accounts for in-depth review.

The business environment and laws will continue to become more complex and this has imposed a greater demand for reasonable competence amongst company directors. It is important to establish a standard of competence for corporate accountability which includes standards of professionalism and trustworthiness in order to uphold good corporate integrity.

The experience within the country has exposed a critical need for the formulation of corporate accountability standards in order to establish an ethical corporate environment.

B. PRINCIPLE

The principle of this code is based on principles in relation to sincerity, integrity, responsibility and corporate social responsibility.

C. PURPOSE

This Code of Ethics is formulated to enhance the standard of corporate governance and corporate behaviour with the intention of achieving the following aims:

1. To establish a standard of ethical behaviour for directors based on trustworthiness and values that can be accepted, are held or upheld by any one person.
2. To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administering a company.

D. DEFINITION

In the context of this code, a company director means any person who holds the position of director in a corporation irrespective of any designation used, including anyone who follows the directives and advice of a corporate director and who usually takes action, as well as an in-turn or alternate director. A director also includes both executive and non-executive directors as well as executive and non-executive chairpersons.

APPENDIX A TO BOARD CHARTER OF W T K HOLDINGS BERHAD

CODE OF ETHICS FOR COMPANY DIRECTORS ESTABLISHED BY THE COMPANIES COMMISSION OF MALAYSIA

E. CODE OF ETHICS

In the performance of his duties, a director should at all times observe the following codes:

- 1.1. Should have a clear understanding of the aims and purpose, capabilities and capacity of the company;
- 1.2. Should devote time and effort to attend meetings and to know what is required of the board and each of its directors, and to discharge those functions;
- 1.3. Should ensure at all times that the company is properly managed and effectively controlled;
- 1.4. Should stay abreast of the affairs of the company and be kept informed of the company's compliance with the relevant legislation and contractual requirements;
- 1.5. Should insist on being kept informed on all matters of importance to the company in order to be effective in corporate management;
- 1.6. Should limit his directorship of companies to a number in which he can best devote his time and effectiveness; each director is his own judge of his abilities and how best to manage his time effectively in the company in which he holds directorship;
- 1.7. Should have access to the advice and services of the company secretary, who is responsible to the board to ensure proper procedures, rules and regulations are complied with;
- 1.8. Should at all times exercise his powers for the purposes they were conferred, for the benefit and prosperity of the company;
- 1.9. Should disclose immediately all contractual interests to the Board whether directly or indirectly with the company;
- 1.10. Should neither divert to his own advantage any business opportunity that the company is pursuing, nor may he use confidential information obtained by reason of his office for his own advantage or that of others;
- 1.11. Should at all times act with utmost good faith towards the company in any transaction and to act honestly and responsibly in the exercise of his powers in discharging his duties; and
- 1.12. Should be willing to exercise independent judgment and, if necessary, openly oppose if the vital interest of the company is at stake.

APPENDIX A TO BOARD CHARTER OF W T K HOLDINGS BERHAD

CODE OF ETHICS FOR COMPANY DIRECTORS ESTABLISHED BY THE COMPANIES COMMISSION OF MALAYSIA

1.13. Relationship with Shareholders, Employees, Creditors and Customers

- 1.13.1. Should be conscious of the interest of shareholders, employees, creditors and customers of the company;
- 1.13.2. Should at all times promote professionalism and improve the competency of management and employees; and
- 1.13.3. Should ensure adequate safety measures and provide proper protection to workers and employees at the workplace.

1.14. Social Responsibilities and the Environment

- 1.14.1. Should ensure that necessary steps are taken in accordance with the law to properly wind-up or strike off the company register if the company has not commenced business or has ceased to carry on business and is not likely to commence business in the future or resume business as the case may be;
- 1.14.2. Should adopt an objective and positive attitude and give the utmost cooperation for the common good when dealing with government authorities or regulatory bodies;
- 1.14.3. Should ensure the effective use of natural resources, and improve quality of life by promoting corporate social responsibilities;
- 1.14.4. Should be more proactive to the needs of the community and to assist in society-related programmes in line with the aspirations of the concept of 'Caring Society' in Vision 2020; and
- 1.14.5. Should ensure that the activities and the operations of the company do not harm the interest and well-being of society at large and assist in the fight against inflation.