

## The Board Charter

### Overview

The Directors are entrusted to monitor strategy implementation and oversee the management, control and risk management of PWF Consolidated Bhd (PWF). In carrying out these duties and responsibilities, the Directors shall ensure system and control, procedure and policy are in place for effective and timely financial reporting and preparation of financial data. The Directors are required to ensure adequate resources for business sustainability and to preserve integrity of the corporate structure, save it from abuse and exploitation.

Board Charter Recommendation 1.7 of the Malaysian Code on Corporate Governance 2012 states that the Board should formalize, periodically review and make public its board charter. This board charter sets out the roles and responsibilities of the Board members. It serves as reference for the Board's conduct.

### Composition & Membership

The Board shall have more than two and a minimum of one-third of its membership comprises of Independent Directors.

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 PWF. Without limiting the generality of the foregoing, an Independent Director is one who:

- a) is not an Executive Director of PWF or any of its related corporation (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 Companies Act 2016 ("the Act");
- 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.

The Board members shall have mix of knowledge, expertise and experience that is balance and diverse.

The Board members shall be financially literate and constantly aware of the financial reporting environment.

Board chairman shall preferably be helmed by an Independent Director unless the Board is convinced that the appointment does not affect the objectivity and independence of the Board's function.

No Director shall serve more than a cumulative of 9 years in the Board except shareholders approval in a general meeting are obtained for the continuation of the relevant Directors as Independent Directors of the Board, or alternatively the particular Director may continue to serve in the Board subject to re-designation to Non-Independent Director.

The Board's composition and membership shall be reviewed from time to time to meet the requirements of the Company of that time.

### **Roles and Responsibilities**

The Board of Directors has the following responsibilities:-

- a) Develops, reviews and approves corporate strategy and policy, business development and sustainability strategy;
- b) Safeguards assets and preserves and monitor effectiveness and efficiency of the resources of the Company;
- c) Sets up and maintains risk management framework and internal control system;
- d) Identifies principal risk area and reviews effectiveness of internal control system;

- e) Oversees the conduct of business is consistent with the strategic goal and mission of the Company;
- f) Develops, reviews and approves investment policy and ensure its adherence to the company investment policy statement;
- g) Ensures compliance with relevant statutory and legal requirement, laws and regulation of authorities;
- h) Reviews and responds to audit findings from external and internal auditors;
- i) Manages appointment, training, compensation and succession plan of senior management or key management personnel;
- j) Reviews and approves the financial statements including annual audited financial statements and quarterly reports;
- k) Approves the appointment, resignation or removal of Company Secretaries;
- l) Approves the appointment of external auditors and their related audit fees;
- m) Develops and implements investor relations program and shareholder communications policy.

#### Roles of Chairman/ Managing Director (“MD”)

Chairman shall be appointed by the Board.

The Chairman shall have strong leadership qualities and is able to commit time and focus on his roles and responsibilities.

The Chairman presides over all Board and general meeting. He/she shall ensure all meetings are conducted in accordance with board procedures and are properly documented.

The MD is primarily responsible for leading the management in day to day operation of the business in accordance with strategy and policy approved and authorized by the

Board. The MD acts as a bridge between the Board and management via bringing up material issue to the attention of the Board and implementing and adopting policies decided by the Board.

#### Roles of Executive Directors

The Executive Directors are responsible for making and implementing operational decisions.

#### Roles of Non-Executive Directors

Non-Executive Directors shall be independent of the management and be free from any relationship that could materially interfere with the exercise of their independent judgment.

In event that any Directors have served a cumulative term of more than 9 years in the Board, the Board shall seek shareholders approval for the continuation of the relevant Directors as Independent Directors of the Board.

Together, the Executive and Non-Executive Directors play an important role in ensuring that the strategies proposed by the management are fully deliberated and examined, and that it is capable of contribute to the sustainability of the organization taking into account the interest of shareholders, employees, customers, suppliers and the many communities in which the Group conducts its business. The Directors have fiduciary duties, to act honestly, exercise reasonable diligence, must not make improper use of any information obtained by virtue of his position.

In accordance with the provisions of the Constitution, all Directors are subject to retirement from office at least once in every three (3) years, but shall be eligible for re-election. The Constitution also provides that any Director appointed during the year is required to retire and seek re-election at the following Annual General Meeting ("AGM") immediately after such appointment.

Members of the Board shall have unrestricted access to all information pertaining to the Group's business and affair to enable them to discharge their duties.

### The Committees

The Committees that have been established by the Board are as follows:-

- a) Audit Committee
- b) Nomination Committee
- c) Remuneration Committee

The Audit Committee's duties and responsibilities include:

- a) Reviews the unaudited quarterly financial results of the Group with the management prior to submission to the Board of Directors for consideration and approval and subsequent announcements;
- b) Reviews the external auditors' audit plan prior to the commencement of audit;
- c) Reviews the auditors' report and issues arising from the audit and management letter together with management's response to the findings of the external auditors;
- d) Conducts private meetings with external auditors;
- e) Considers the nomination of the external auditors for recommendation to the Board for re-appointment;
- f) Reviews year end financial statements prior to submission to the Board for consideration and approval;
- g) Reviews the Audit Committee Report and Statement on Risk Management and Internal Control.

The Nomination Committee is responsible for the review and assessment of the skills, experience, size, composition of the Board and the independence of Independent Director on an ongoing basis to ensure effectiveness of the Board and contribution of each Director. The Nomination Committee is also responsible for assessing the suitability of proposed candidates for directorships and making recommendations to the Board on new appointments including Board Committees.

The Nomination Committee has been entrusted to carrying out the Director self evaluation program on yearly basis with an objective of enhancing board effectiveness and promote professionalism.

Remuneration Committee is responsible for reviewing and recommending to the Board the remuneration package of the Executive Directors and the determination of remuneration packages.

The Directors' remuneration shall be fixed at a level sufficient to attract and retain Director.

The remuneration package for Executive Directors shall commensurate with the individual's performance.

### **Company Auditors**

Appointment of the Company Auditors is subject to approval of shareholders at general meetings. The Company Auditors have to retire during the Annual General Meeting every year and be re-appointed by shareholders for the ensuing year.

### **Board Meeting**

The Board shall meet on a quarterly basis and additionally as and when required by any one of the Directors, with a formal schedule of matters specifically reserved for the Board's deliberation and decision.

Reasonable notice on the business of the meeting shall be given to the members of the Board. Senior management may be invited to attend and to be heard by the Board. All Board members will be given meeting agenda together with supporting information and reports prior to the meeting.

Members of the Board may seek professional advice from both internal and external independent advisor in the furtherance of their duty.

### **Annual General Meeting**

The AGM is a principal forum for dialogue with the shareholders that provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.

The Directors shall answer to queries during the meeting and where it is necessary to provide more details and clarity by providing written answer to the shareholders.

### **Financial Reporting**

The Directors of the Company are responsible for the preparation of the financial statements that present a true and fair view of the financial affair of the Company in accordance with Financial Reporting Standards and the requirements of the Companies Act of Malaysia.

Quarterly financial results shall be announced within two months after the end of each quarterly financial period in accordance with Listing Requirements of Bursa Malaysia Securities Berhad.

### **Investor Relations and Shareholder Communication**

The Company shall ensure timely and equal dissemination of information to the Group's performance and direction.

The Company conducts dialogues with financial analysts from time to time as a means of effective communication that enables the Board and management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.

### **Relationship With Other Stakeholder**

#### **Employees**

The Board views the employees as invaluable resources to the Company.

The Board shall commit to Company policies that uphold welfare of the employee and provide rewarding and fair career development, and safe and healthy working environment.

### **Social Responsibilities**

The Board is committed to enhancing corporate social responsibilities towards the environment, the communities, and its employees.

### **The Company Secretary**

The Company Secretary is appointed by the Board to assume an advisory role in the conduct of the Board's affair and on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.

The Board endeavours to comply at all times with the principles and practices set out in this Charter.

Any updates to the principles and practices set out in this Charter will be made available on the Company's website.