



# WATTA HOLDING BERHAD

## BOARD CHARTER

### 1. PURPOSE OF CHARTER

The Board Charter sets out the role, composition and responsibilities of the Board of Directors (“the Board”) of Watta Holding Berhad and the key elements of governance principles guiding the business culture and strategic initiatives of the organization.

The conduct of the Board is also governed by the Articles of Association of the Company, a copy of which is located at registered office of the Company situated at Suite 11.1A, Level 11, Menara Weld, 76, Jalan Raja Chulan, 50200 Kuala Lumpur.

### 2. PURPOSE OF THE BOARD

The Board has two broad purposes, compliance and performance:

#### **2.1 COMPLIANCE: conform with or exceed all applicable legal requirements**

##### **(i) Legal**

- monitor constitution and regulations
- comply with applicable laws and requirements, code of conduct and business or industry practices
- comply with Directors’ duties and responsibilities

##### **(ii) Accountability**

- monitor financials and ensure integrity in financial information
- Safeguard and maintain accountability of assets

#### **2.2 PERFORMANCE: assist the organization to perform to its best potential**

##### **(i) Strategy and Policy**

- approve vision or mission statement of the Group
- ensure the vision or mission statement is embedded into the organization’s operation
- approve strategic plan and policies; as well as monitor and evaluate them regularly

##### **(ii) Accountability**

- assess and review overall performance of the Group
- undertake board evaluation and consider succession planning
- communicate and disseminate timely and adequate information to stakeholders
- retain full and effective control over the organization and monitor management in implementing Board decisions and strategies

### **(iii)Public Relations**

- keep stakeholders informed and protect the interests of stakeholders
- project a strong and positive image of the organization
- promote the vision of the Group and facilitate cohesion among stakeholders
- speak with one voice regarding Board decisions

### **(iv)Risk Management**

- ensure up to date and effective risk profile and risk management strategy and framework
- monitor critical and high risk areas and implementation actions
- prevent and detect material misstatement and loss
- advocate risk communication, perception and social concerns

## **3. ROLES AND RESPONSIBILITIES**

- 3.1 The Board has delegated authority for the day-to-day operations and administration of the Group to the Executive Directors of the Group
- 3.2 The key functions of the Board are to provide effective leadership and collaborate with the Executive management team in:
  - articulating the organization's values, vision, mission and strategies
  - developing strategic (direction) plans and ordering strategic priorities
  - maintaining open lines of communication and promulgating through the organization and with external stakeholders the values, vision, mission and strategies
  - developing and maintaining an organization structure to support the achievement of agreed strategic objectives
  - ensuring appropriate balance of power and authority on the Board
- 3.3 Monitor the performance of the Executive management team against agreed or key performance indicators
- 3.4 Review and agree the strategic business plans and annual budgets proposed by the Executive management team and monitor the achievement of the strategic and business plans and annual budget outcomes on a periodic basis
- 3.5 Ensure that all significant systems and procedures are in place for the organization to run effectively, efficiently, and meet all legal and contractual requirements
- 3.6 Ensure that all significant risks are adequately considered and accounted for by the Executive management team through implementation of proper systems of internal controls
- 3.7 Ensure that organization has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate and social responsibility
- 3.8 Determine, establish and review policies, procedures and processes that address risk management, communication channels between stakeholders, conflict of interests involving directors or related parties and applicable compliance issues within the organization
- 3.9 Establish such Board committees which will facilitate the more effective discharge of the Board's roles and responsibilities

- 3.10 Ensure, through the Board committees and other such sub-committees as appropriate, compliance obligations and functions are effectively discharged.
- 3.11 Initiate a Board self-evaluation program and follow-up action to deal with issues arising and arrange for directors to attend courses, seminars and participate in development programs as the Board judges appropriate.
- 3.12 Monitor the information needs of the Board and the Board should have unrestricted access to all information, documents and records of the Group which will facilitate informed decisions.
- 3.13 Ensure suitably qualified and competent Company Secretary is appointed who can support the Board in the effective discharge of its roles and responsibilities.

#### **4. MEMBERSHIP AND TERM**

- 4.1 The Articles of Association provides for a maximum of 9 directors and a minimum of 2 directors on the Board.
- 4.2 The Board consists of 4 executive directors, 1 non-independent non-executive director and 3 independent non-executive directors.
- 4.3 Directors, save for those as disclosed to the Board, are free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the organization or Group.
- 4.4 Membership of the Board shall be disclosed in the annual report including whether a director is independent or not independent.
- 4.5 The Board has not adopted a tenure policy, but according to the Articles of Association, each director must be re-elected by the membership after three years on the Board.

#### **5. BOARD/CEO RELATIONSHIP**

The roles of the Chairman and CEO are strictly separated.

##### **5.1 The Chairman of the Board is responsible for:**

- the development of the organization's vision, strategic agenda, and business plan
- the facilitating of the communication and understanding between management and the Board
- ensuring operations conform with the Board's strategic directions, views and corporate policies
- the management, the development and the effective performance of the Directors on the Board
- providing leadership to the Board for all aspects of the Board's roles and responsibilities
- acting in an advisory capacity to the Executive management team and to other officers (if any) in all matters concerning the interests and management of the organization
- playing a role in the organization's external relationships with stakeholders

## **5.2 The Executive Directors are responsible for:**

- executing the policy direction and operations of the organization
- the efficient and effective day-to-day operations of the organization
- bringing material issues and other relevant matters to the attention of the Board in an accurate and timely manner
- recommending yearly budget for Board approval
- the prudent management of organization's resources within those budget guidelines as approved by the Board
- the effective management of the human resources of the organization according to authorized personnel policies and procedures

## **6. BOARD CULTURE**

The Board actively seeks to have an 'engaged culture' which is characterized by transparency and willingness to challenge and change.

## **7. BOARD QUALITIES**

### **7.1 Agendas**

- The agendas of the Board limit presentation time and maximise discussion time.
- There are opportunities for informal interactions among Board members.

### **7.2 Norms**

- Board members are honest yet constructive.
- Members are ready to ask questions and willing to challenge leadership.
- Members actively seek out other members' views and contributions.
- Members spend appropriate time on important issues.

### **7.3 Values**

- The Board serves the community by actively participating in governance.
- The Board is responsible to various stakeholders.
- Board members are personally accountable for what goes on at the organization.
- The Board is responsible for maintaining the organization's stature in the sector.
- Board members respect each other.

### **7.4 Corporate Governance**

- Believe that effective corporate governance structures encourage the creation of value, through entrepreneurialism, innovation, development and exploration, and provide accountability and control systems commensurate with the risks involved.
- The Board periodically review corporate and internal practices to ensure they continue to reflect local and international developments and promote high standards of transparency about the corporate governance practices within the Group.

## **8. REPORTING & RECORDS**

- 8.1 Proceedings of all Board and Board Committee meetings are minuted and signed by the chairman of the respective meetings.
- 8.2 Minutes of all Board and Board Committee meetings are circulated to Directors and Committee Members and approved by the Board and Board Committees at each subsequent meeting.
- 8.3 Resolutions are circulated to Directors for approval and execution and once passed, are recorded in the Minutes Book of the Board.

## **9. REVIEW OF CHARTER**

The Board will review this charter annually to ensure it remains consistent with the Board's objectives, duties and responsibilities

## **10. PUBLICATION OF THE CHARTER**

Key features of the charter are outlined in the company's website, [www.watta.com.my](http://www.watta.com.my).