




UWC BERHAD

(Company No. 1274239-A)

(Incorporated in Malaysia)

BOARD CHARTER

 UWC BERHAD (Company No. 1274239-A)	Department: Board	Policy no: UWC-POL-FIN-025
		Implemented Date : 24th November 2018
Title: BOARD CHARTER		

1. INTRODUCTION

1.1 UWC Berhad (“Company” or “UWC”) has established the following Board Charter to promote high standards of corporate governance throughout the Company and its subsidiaries (“the Group”) and is designed to provide guidance and clarity for Directors and management with regard to the role of the Board and its committees.

2. PURPOSE

2.1 The primary objective of the Board Charter of UWC is to:


- A. set out the roles, composition and responsibilities of the Board of Directors (“the Board”) and the key elements of governance principles guiding the business culture and strategic initiatives of the Company;
- B. provide procedures for convening board meetings;
- C. act as a source of reference and primary induction materials, providing insights to prospective board members; and
- D. assist the Board in the assessment of its own performance and that of individual directors.

3. PURPOSE OF THE BOARD

The key role of the Board is to establish a corporate culture which engenders ethical conduct that permeates throughout the Company. To integrate this culture in the Company, the Board should formalise ethical values and strategies through the Company’s policies and ensure the implementation of appropriate internal systems to support, promote, and ensure its compliance and sustainability. This includes having in place appropriate communication channels which facilitate whistle-blowing by employees, customers, suppliers or other stakeholders to raise concerns on potential or suspected infractions of the code of conduct, or any failure to comply with the laws and regulations governing the Company.

In facilitating interaction between the shareholders and the Company, concerns may be directed to the Senior Independent Non-Executive Director.

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4. STRUCTURE AND COMPOSITION OF THE BOARD

The Board recognises board diversity as a key attribute to its board composition and as such, a balanced board should comprise of Directors with the requisite range of skills, competence, knowledge, calibre and experience, including a diversity of perspectives, gender, age and ethnicity in order to set the context for appropriate board behaviour which will enable them to discharge their duties and responsibilities effectively in good faith with reasonable degree of care and diligence.


The number of Directors shall not be less than two (2) and not more than nine (9). In the aspects of independence and gender diversity, at least two (2) directors or one-third (1/3) of the Board are Independent Directors.

The Board elects a Chairman from amongst its members.

4.1 Chairman of the Board

The Chairman of the Board is responsible for:

- (a) the monitoring of the Company's vision, strategic direction, and business development;
- (b) the facilitating of the communication and understanding between management and the Board;
- (c) ensuring operations conform with the Board's strategic directions, views and corporate policies;
- (d) facilitating the effective participation and performance of the Directors at Board meetings;
- (e) providing leadership to the Board for all aspects of the Board's roles and responsibilities;
- (f) acting in an advisory capacity to the MD and Executive management team and to other officers (if any) in all matters concerning the interests and management of the Company; and
- (g) playing a role in the Company's external relationships with stakeholders.

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4.2 Executive Director (“ED”)


The ED is responsible for:

- (a) executing the policy direction and management of the Company;
- (b) the efficient and effective day-to-day operations of the Company;
- (c) bringing material issues and other relevant matters to the attention of the Board;
- (d) reporting the financial and business performance of the Company to the Board;
- (e) recommending yearly budget for Board’s approval;
- (f) the prudent management of Company’s resources within those budget guidelines approved by the Board;
- (g) the effective management of the human resources of the Company according to authorised personnel policies and procedures;
- (h) ensuring that the risk management and internal control system is operating effectively in all material respects; and
- (i) the implementation of the policies and strategies adopted by the Board.

4.3 Independence of Directors

The basis for the presence of an independent voice on the Board is to ensure that objectivity in decision-making of the Board is achieved and that no single party can dominate such decision making in the Company. In ensuring that there is no concentration of power in any member of the Board, the Independent Directors are expected to exercise their oversight responsibilities in the decision-making of the Board independently and objectively.

A Director is an independent director if he fulfills the independence criteria as prescribed by Paragraph 1.01 of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements and the Board is satisfied that such Director is independent of the management and free from any business or other relationships

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which could interfere with the exercise of independent judgment or the ability to act in the best interest of UWC Group.

The Board will undertake assessment of the independence of the Independent Directors (including the tenure of the Independent Directors) on a yearly basis or when the Independent Directors disclose to the Board any new information in relation to interests or relationships relevant to their independence.

5. ROLES AND RESPONSIBILITIES OF THE BOARD


5.1 Fiduciary Duties of Board Members

In discharging its fiduciary duties, the Board must at all times act in good faith, with candor, avoiding all potential or actual conflicts of interest, and in the best interests of the Company and at the same time to advance the interest of its stakeholders.

5.2 Strategic Responsibilities

In discharging the governance function, the Board is responsible for:

- (a) reviewing and adopting strategic plans for the Group including setting performance objectives and approving operating budgets for the Group and to ensure that the strategies promote sustainability within the aspects of environment, social and economy and necessary resources are in place to meet the objectives. The Board is also responsible for monitoring the implementation of strategic plans by management personnel;;
- (b) oversee the conduct of the Group's business, including monitoring the performance of the management to determine whether the business is being properly managed;
- (c) identifying principal risks faced by the Group and to ensure the implementation of appropriate internal controls and risk management framework to mitigate such risks;

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- (d) overseeing succession planning, including to appoint, assess, train and fix the compensation of, and where appropriate to replace, the Executive Directors and senior management;
- (e) developing and implementing corporate disclosure policies (including an investor relations programme or shareholder communications policy) for the Group; and
- (f) reviewing the adequacy and the integrity of the internal control systems and information systems, ensuring there is a sound framework of reporting internal controls and regulatory compliance.

5.3 Formal Schedule of Matter Reserved for Board's Approval

The Board shall set aside a formal schedule of matters specifically reserved to the Board for its decision and approval, including authority levels, to ensure that the direction and control of the Company is firmly in its hand. These include the approval of corporate proposals, appointment of Directors, Directors' and senior managements' remuneration upon the recommendation of the Remuneration Committee, major acquisitions and disposals, annual budget and quarterly and annual financial reports, declaration and recommendation of dividend, new investment, establishment or disposal of subsidiary, entry into a memorandum of understanding, as well as approval of corporate policies.


6. BOARD COMMITTEES

The Board may delegate certain of its functions to the following Board Committees who will assist the Board in executing its duties and responsibilities:

- (a) Audit Committee;
- (b) Nomination Committee; and
- (c) Remuneration Committee.

The Board Committees have an obligation to report on the proceedings of their respective meetings to the Board and minutes of all Committee meetings are to be made available to all Directors for notation.

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All recommendations, observations and/or assessments results discussed and reviewed by the Board Committees will be made or referred to the Board as a whole who will ultimately consider, evaluate and make the final decisions.

6.1 Audit Committee

The Audit Committee is responsible for:

- (a) ensuring the Company's financial statements comply with applicable financial reporting standards as this is integral to the reliability of financial statements;
- (b) reviewing and monitoring the suitability and independence of external and internal auditors;
- (c) reviewing the adequacy and effectiveness of the Company's system of internal control and risk management; and
- (d) reviewing related party transactions, if any, in determining conflict of interest situation.


The Audit Committee's functions and duties as well as its composition are set out in its terms of reference.

6.2 Nomination Committee

The Nomination Committee should comprise exclusively of non-executive directors, a majority of whom must be independent. The Chairman of the Nomination Committee shall be an independent director identified by the Board.

The Nomination Committee's responsibilities include:

- (a) assessing and recommending to the Board the candidature of directors based on recruitment criteria approved by the Board.

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Before consideration of any candidate for appointment as new Director, the Committee should, in assessing the candidate, also seek commitment from the candidate that he/she will devote sufficient time to carry out his/her responsibilities in the Company.

- (b) assessing and recommending to the Board, directors to be appointed to the Board Committees;
- (c) assessing the effectiveness of the Board as a whole, Board Committees and contribution of each individual director, including the term of office and performance of the Audit Committee and its members, as well as the position of senior independent Director;
- (d) reviewing succession plans for the Board and training needs of the Directors;
- (e) reviewing succession plans for senior management; and
- (f) formulating, maintaining and reviewing, from time to time, criteria to be used for recruitment process, annual assessment of Directors including assessment of independence.

The Committee shall ensure that newly appointed directors undergo the Mandatory Accreditation Programme as prescribed by Bursa Malaysia Securities Berhad and an induction programme to facilitate their understanding of the Group's operations, products and services.

All current Directors should notify the Chairman of the Board before accepting other external appointment of directorship, whether in a listed or non-listed company, at least one (1) week before the new appointment.

The Nomination Committee's functions and duties as well as its composition are set out in its terms of reference.

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6.3 Remuneration Committee

The purpose of the Remuneration Committee is to establish formal and transparent remuneration policies and procedures to attract and retain directors. Directors should be adequately compensated for the risks and responsibilities they assume.

The Remuneration Committee shall consist of exclusively non-executive directors, a majority of whom are independent.

The Remuneration Committee's functions and duties as well as its composition are set out in its terms of reference.


7. BOARD MEETINGS

Board meetings are to be held not less than four (4) times a year. Directors are expected to attend all Board meetings and meetings of committees on which they serve, and to devote sufficient time to properly discharge their responsibilities at those meetings.

Information and materials that are important to the Board's understanding of the business to be conducted at a Board or committee meeting shall be distributed to the Directors at least five (5) working days prior to the meeting, in order to provide ample time for review beforehand.

The Chairman shall establish the agenda for each Board meeting. Agenda can be voted upon to form Board resolutions.

By leveraging on technology, Board meetings can also be conducted via technological means and for expediency, circular resolutions of the Directors will be prepared for Directors' execution in order to facilitate the effective implementation of Board's decision.

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7.1 Proceedings at Meetings

- (a) The aspects of notice period, quorum and voting rights, meetings and proceedings of the Board will be governed by the Company's Constitution.
- (b) Reasonable notice of meetings and the agenda on the business to be conducted shall be given to members of the Board and Board Committees, as the case may be.
- (c) The Company Secretary or the secretary of the Board Committee shall take minutes of the meetings. These minutes shall be forwarded to the Chairman of the respective meeting for his/her review prior to tabling at the next succeeding meeting for approval by the members of the Board or Board Committees, as the case may be. All Board members must ensure that the minutes of meetings accurately reflect the deliberations and decision of the Board, including whether any Director abstained from voting or deliberating on a particular matter.

8. ACCESS TO INFORMATION, INDEPENDENT ADVICE AND CONTINUING DEVELOPMENT

Management must provide the Board and Board Committees with information in a form, timeframe and quality that enables them to effectively discharge their responsibilities and duties.

Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. Any Director has the authority to seek any information he/she requires from any employee of the UWC Group and all employees must comply with such requests. Any significant issues raised by a Director are to be communicated to the Chairman, MD or Company Secretary, where appropriate.

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Any Director may take such independent legal, financial, governance or other advice as they consider necessary at UWC's cost. Any Director seeking independent advice must first discuss the request with the Chairman who will facilitate obtaining such advice and, where appropriate, disseminate the advice to all Directors.

The Board should understand the UWC Group structure and operations and key developments affecting the UWC Group and may receive periodic presentations to assist in achieving such an understanding.

9. FINANCIAL AND NON-FINANCIAL REPORTING

The Board must ensure that the Company's financial statements comply with applicable financial reporting standards as this is integral to the reliability of financial statements.

The Board should also maintain a communication policy that enables both the Board and management to communicate effectively with its shareholders, stakeholders and the public. This includes usage of information technology in communicating with stakeholders on the Company's website which houses annual reports, quarterly report announcements, press releases, etc.

10. CODE OF CONDUCT AND ETHICS

All Directors, Senior Management, Employees and Consultants, shall act in the best interest of the Group when they represent the UWC Group.

11. REVIEW OF BOARD CHARTER

The Board Charter should be reviewed annually and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's duties and responsibilities.

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