

BWYS GROUP BERHAD
Registration No. 202301000310 (1494229-W)
(Incorporated in Malaysia)

BOARD CHARTER

1. INTRODUCTION

The Board of Directors (the “**Director(s)**” or the “**Board**”) of BWYS Group Berhad (“**BWYS**” or the “**Company**”) and its subsidiaries (collectively, “**the Group**”) adopts this Charter to outline the manner in which its constitutional powers and responsibilities of the Board will be exercised and discharged, having regard to principles of good corporate governance, international best practice and applicable laws.

This Board Charter shall also constitute and form an integral part of each Director’s duties and responsibilities.

This Board Charter is not an “all inclusive” document and should be read as a broad expression of principles.

This Board Charter sets out:

- (a) the composition, roles, responsibilities and processes of the Board, individual Directors and management; and
- (b) the delegation of authority by the Board to various Board committees (“**Board Committees**”) to safeguard the Board members in performing their responsibilities on behalf of the Group for the benefit of the Company and its stakeholders.

The Board understands that the responsibility for good corporate governance rests with them and therefore strives to follow the principles and best practices stated in the Malaysian Code on Corporate Governance 2021 (“**MCCG**”). This Board Charter is subject to the provisions of the Companies Act 2016 (“**the Act**”), Company’s Constitution (“**Constitution**”), ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”), the practices and guidance of the MCCG and any other applicable laws or regulatory requirements.

In the event of a conflict between the Constitution and this Board Charter, the provisions of the former shall have precedence subject to compliance with the legislation and regulatory requirements.

2. THE BOARD OF DIRECTORS

2.1 Authority and Matters Reserved for the Board’s Decision

The Board must establish written policies and procedures to provide a sound framework of authority and accountability within the Group and to facilitate proper corporate decision-making at the appropriate level in the Group’s hierarchy.

The day-to-day operations of the Group shall be managed and administered by the management of the Group (“**Management**”), subject always to the policies and procedures set by the Board.

The business and affairs of the Group shall be managed by or under the direction of the Directors. The Directors have all the powers necessary for managing, directing and supervising the management of the business and affairs of the Group subject to any modification, exception or limitation contained in the Constitution and also in accordance with the Act, the Listing Requirements, the MCCG, the Capital Markets and Services Act 2007 and any other prevailing regulatory corporate governance practices and laws or regulatory requirements.

2.2 Board Composition and Board Balance

The Board should be well balanced with qualified individuals effective mix of Executive Directors and Independent Non-Executive Directors with diverse experience, character, integrity, competence and time to effectively discharge their responsibilities and duties legally under the various laws, regulations and rules as a company director. This balance enables the Board to provide clear and effective leadership to the Group and facilitate the Board in making of informed and critical decisions on many aspects of the Group's strategies and performances. The Board structure also ensures that no individual or group of individuals dominates the Board's decision-making process.

The Board is committed to ensure good governance practices as recommended under the MCGG:-

- (a) The number of Directors shall not be less than two (2) and not more than fifteen (15), as stipulated in the Constitution, and at any time, at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, shall be Independent Non-Executive Directors ("**Independent Directors**"), in compliance with Rule 15.02 of the Listing Requirements Rule on Independent Directors.

Rule 1.01 of the Listing Requirements provides the definition of "**Independent Directors**" as 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:-

- i. is not an Executive Director of BWYS or any related corporation of BWYS (each corporation is referred to as "said Corporation");
 - ii. is not, and has not been within the last three (3) years, an officer of the Company or any related company of the Company (each company is referred to as the "**said Company**"). For this purpose, "officer" has the meaning given in section 2 of the Act but excludes a director who has served as an Independent Director in any one or more of the said Companies for a cumulative period of less than twelve (12) years;
 - iii. is not a major shareholder of the said Company;
 - iv. is not a family member of any executive director, officer or major shareholder of the said Company;
 - v. is not acting as a nominee or representative of any executive director or major shareholder of the said Company;
 - vi. has not been engaged as an adviser by the said Company under such circumstances as prescribed by Bursa Malaysia Securities Bhd ("**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 company which provides professional advisory services to the said Company under such circumstances as prescribed by Bursa Securities;
 - vii. has not engaged in any transaction with the said Company 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 company (other than subsidiaries of the Company) which has engaged in any transaction with the said Company under such circumstances as prescribed by Bursa Securities; or
 - viii. has not served as an independent director in any one or more of the said Companies for a cumulative period of more than twelve (12) years from the date of his first appointment as an independent director.
- (b) In identifying candidates for appointment of Directors, the Board may utilise independent sources in addition to considering recommendations from existing Board members, Management or major shareholders. The appointment of Directors shall be recommended by the Nomination Committee ("**NC**") and approved by the Board. The detailed profiles of nominated directors will be presented to the Board by the NC to assist the Board in their decision whether to confirm the appointment of the nominated directors. Upon appointment, each director shall be provided with a formal letter setting out the director's duties, obligations, expected commitment, remuneration package and other entitlement. The letter shall be signed by the Managing Director ("**MD**") on behalf of the Company.

In the event of any vacancy in the Board of Directors, resulting in non-compliance with Rule 15.02(1) of the Listing Requirements, the Company must fill the vacancy within three (3) months of the event.

Pursuant to Rule 15.06(1) of the Listing Requirements, a Director must not hold more than five (5) directorships in listed issuers on Bursa Securities.

The chairman of the Board (“**Chairman**”) shall not be a member of the Audit and Risk Management Committee (“**ARMC**”), NC or Remuneration Committee (“**RC**”).

The appointment of a new director is a matter for consideration and decision by the Board, upon recommendation from the NC.

In making its recommendation, the NC shall consider the character, experience, competence, integrity and time commitment of the candidates, as well as the following factors:

- skills, knowledge and expertise;
- age and gender;
- professionalism;
- cultural background and diversity;
- commitment, contribution and performance;
- potential conflict of interest;
- political activities; and
- in the case of candidates for the position of Independent Directors, the Board shall also evaluate the candidates’ ability to discharge such responsibilities/functions as are expected from Independent Directors.

Upon the appointment of a director, the said director shall provide to Bursa Securities an undertaking prescribed by Bursa Securities in any event not later than fourteen (14) days.

- (c) The Board may appoint a senior Independent Director to whom shareholders’ concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman or the MD have failed to resolve them. The senior Independent Director also acts as:-
- a sounding board for the Chairman;
 - an intermediary for other directors when necessary; and
 - the point of contact for shareholders and other stakeholders.
- (d) The Board shall appoint the senior Director as the chairman of the NC, as well as considering the other Independent Directors based on their seniority and experiences.
- (e) Practice 1.3 of the MCCG states that the positions of the Chairman and the MD should be held by different individuals. To ensure balance of authority, increased accountability and a greater capacity for independent decision-making, the roles of Chairman and the MD are distinct and separate with a clear division of responsibilities between the Chairman and the MD, so that no individual dominates the decision-making process. The Chairman is responsible for leading the Board in its collective oversight of management while the MD focuses on the business and day-to-day management of the Group.

- (f) The Board should have procedures to allow its members' access to information and advice. The Management should supply accurate and complete information to the Board in a timely manner to enable the Board to discharge its duties effectively. Occasions may arise when the Board has to seek legal, financial, governance or expert advice in the course of their duties. The Board should be able to consult advisers and, when considered necessary, to seek independent professional advice. The Board should be entitled to do so at the Company's expense through an agreed procedure.
- (g) The Board has in place a "Diversity Policy" for the Directors. The Company maintains at least thirty per cent (30%) women directors to maintain a balance Board composition in line with Practice 5.9 of the MCCG. In seeking potential candidate(s) for new appointment, the Board takes into account ethnicity and age distribution of the Directors to maintain a balance composition.

2.3 Directors' Nomination

Every listed corporation must ensure that each of its Directors, MD or chief financial officer has the character, experience, integrity, competence and time to effectively discharge his role as a Director, MD or chief financial officer, as the case may be, of the listed company.

All nominations of candidates for the positions of Directors and MD must be submitted to the NC for consideration. The NC shall base on the guidelines as detailed hereunder before recommending the candidates to the Board for approval:

- (a) age limit;
- (b) work experience;
- (c) qualifications;
- (d) personal background;
- (e) competencies;
- (f) directorship; and
- (g) in accordance with the Listing Requirements, the Act and any other regulatory compliances.

A statement is required to justify the nomination of an individual as an Independent Director, and explaining why there is no other eligible candidate, if such individual had cumulatively served as an Independent Director of the Company for more than twelve (12) years before and observed the requisite three (3) year cooling off period.

The Board has in place a "Fit and Proper Policy" to ensure that Directors must possess such character integrity.

2.4 Tenure of Directors

Clause 96.1 of the Constitution provides that every newly appointed Director shall be subjected to re-election at the Company's next Annual General Meeting ("AGM") subsequent to their appointment. Furthermore, one third (1/3) of the Board shall retire from office and be eligible for re-election at every AGM, and all Directors shall submit themselves for re-election once at least every three (3) years. A retiring Director shall retain office until the close of the meeting at which he retires.

A newly appointed Directors shall hold office until the AGM following their appointment and shall then be eligible for re-election by shareholders. The proposed appointment of new Board members, resignation of existing members, as well as the proposed re-election of the Directors are approved by the Board upon the recommendation of the Nomination Committee.

Practice 5.3 of the MCCG states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a non-independent director.

An Independent Director may be retained as an Independent Director after a cumulative term of nine (9) years, subject to:-

- (a) an assessment and recommendation of the NC; and
- (b) the Board's recommendation with strong justification for shareholders' approval in a general meeting.

As per the MCCG, if the Board continues to retain the Independent Director after the nine (9) years, the Board should seek shareholders' approval on an annual basis through a two-tier voting process as follows:

Tier 1: Only the Large Shareholder(s) (as defined below) of the Company votes

Tier 2: Shareholders other than Large Shareholder(s) (as defined below) votes

Large Shareholder(s) means a person who:

- (a) is entitled to exercise, or control the exercise of, not less than thirty-three per cent (33%) of the voting shares in the Company;
- (b) is the largest shareholder of voting shares in the Company;
- (c) has the power to appoint or cause to be appointed a majority of Directors of the Company; or
- (d) has the power to make or cause to be made, decisions in respect of the business or administration of the Company, and to give effect to such decisions or cause them to be given effect to.

The decision for the resolution is determined based on the vote of Tier 1 and a simple majority of Tier 2. If there is more than one Large Shareholder, a simple majority of votes determine the outcome of the Tier 1 vote. The resolution is deemed successful if both Tier 1 and Tier 2 vote support the resolution. The resolution is deemed defeated where the vote between the two tiers differs or where Tier 1 voter(s) abstained from voting.

The maximum tenure of an Independent Director is limited to twelve (12) cumulative years from the date of such person's first appointment as an Independent Director of the Company. Upon completion of twelve (12) years, an Independent Director may continue to serve on the board subject to the director's re-designation as a non-independent director.

2.5 Disqualification or Vacation of Office

- (a) is subject to Sections 196(3) and 209 of the Co Act, resigns from his office by giving a written notice to the Company at the Office;
- (b) has retired in accordance with the Act or the Constitution of the Company but is not re-elected;
- (c) is removed from office in accordance with the Act or the Constitution of the Company;
- (d) becomes disqualified from being a director under Sections 198 or 199 of the Act;
- (e) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001 or such legislation having the same effect;
- (f) becomes disqualified under section 68 of the Islamic Financial Services Act 2013;
- (g) dies;
- (h) resigns his office by notice in writing to the Company;
- (i) without the consent of the Company in general meeting holds any other office of profit under the Company except that of managing or executive Director;
- (j) is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare the nature of his interest in the manner;
- (k) otherwise vacate his office in accordance with the Constitution;
- (l) absents himself from more than fifty per cent (50%) of the total Board's meetings held during a financial year, unless an exemption or waiver is obtained from the Exchange; and\
- (m) is convicted by a court of law, whether in Malaysia or elsewhere, in relation to any of the offences set out in Paragraph 15.05(1) of the AMLR as follows:-

- i. an offence in connection with the promotion, formation or management of a company;
- ii. an offence involving fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
- iii. an offence under the securities laws (means the CMSA, the Central Depositories Act and the SICDA).

2.6 External Board Appointments

Any Board member, whilst holding in office, is at liberty to accept other board appointments so long as the appointment is not in conflict with the business of the Company and does not detrimentally affect the Director's performance as a Board member. All such appointments must first be notified to the Chairman before being accepted. The notification should include an indication of time that will be spent on the new appointment.

3. ROLES AND RESPONSIBILITIES

3.1 Roles and Responsibilities of the Board

The Board shall lead and manage the Company in an effective and responsible manner and all the Directors who owe fiduciary duties to the Company, must exercise reasonable care, skill, and diligence, and have an equal responsibility for the Group's operations and corporate accountability. A Director shall at all times avoid conflicts of interest, and shall as soon as practicable after the relevant facts have come to his knowledge, declare the nature of his interest 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 Co Act.

The Board shall have all powers necessary for managing, directing and supervising the management of the business and affairs of the Company subject to the limitation of the Act or the Constitution where:

- (a) Section 211 (1) of the Act states that the business and affairs of a company must be managed by or under the direction of the board of directors.
- (b) Section 211 (2) of the Act states that the board of directors has all the powers necessary for managing and directing and supervising the management of the business and affairs of the company subject to any modifications, exception or limitation contained in the Act or in the Constitution of the company.

The Board recognises the following specific roles and responsibilities:

- (a) to promote good corporate governance culture within the Group which enforces ethical, prudent and professional behavior;
- (b) to avoid conflicts of interest wherever possible. Where a conflict arises, they must adhere scrupulously to the procedures provided by the law, the Constitution and any policies or procedures approved by the Board for dealing with conflicts, whereby they must disclose their nature of interest during the Board meeting and shall not participate in any discussion and shall abstain from the decision-making process;
- (c) to oversee the sustainability management of the Company;
- (d) to oversee the anti-bribery management of the Company;
- (e) to establish and review the strategic direction and plans of the Company.
- (f) to monitor the implementation of strategic plans by Management;
- (g) to review and approve all quarterly and annually financial statements for announcement to the Bursa Securities and stakeholders. The ARMC reviews and recommends the financial statements prior to presentation to the Board;
- (h) to oversee and evaluate the conduct of the businesses of the Company.

- (i) to evaluate performance of the Management in accordance with pre-determined set of performance measurement.
- (j) to identify and evaluate business risks and ensure implementation of a managed sound risk management framework;
- (k) to review the adequacy and integrity of the internal control system and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- (l) to review and oversee the appointment, resignation or termination of directors, company secretaries, auditors and key senior management are properly carried out and documented;
- (m) to ensure establishment of succession plans for the Board members and key senior management;
- (n) to ensure that the Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the MCCG;
- (o) to ensure the Board is supported by at least a suitably qualified and competent company secretary(ies) to whom shall have advice on compliance with applicable laws and any amendment to the laws and regulations related to the listing;
- (p) to formalise ethical standards of conduct through a Code of Conduct for Directors and Management and ensure compliance;
- (q) to develop and implement an investors' relations programme, a shareholders or stakeholders communication policy and ensure the Company's strategies to promote sustainability are communicated to the Company's shareholders and stakeholders; and
- (r) in relation to the financial reporting, to present a balanced and meaningful assessment of the Company's financial performance primarily through the annual financial statements and quarterly announcement of financial results. The Board is assisted by the ARMC to oversee the Company's financial reporting process and the quality of the financial reporting.

The Directors have individual and independent access to the advice and dedicated support services of the Company Secretary in ensuring the effective functioning of the Board. The Directors may seek advice from the management on issues under their respective purview. The Directors may also interact directly with, or request further explanation, information or updates, on any aspect of the Company's operations or business concerns from the management.

3.2 Roles and Responsibilities of the Chairman of the Board

Clause 122 of the Constitution provides that a Chairman shall be appointed from amongst the Board members to head the orderly conduct and function of the Board. The roles and responsibilities of the Chairman include:

- (a) leading the Board so that the Board can perform its responsibilities effectively in achieving corporate objectives and long term success of the Company;
- (b) reviewing contributions made by Board members, whilst the NC is given the task to review effectiveness in terms of performance, and come out with criteria on independence assessment;
- (c) facilitating effective and productive working relationships between the executive directors and non-executive directors and manage the interface between Board and Management;
- (d) ensuring an effective communication with shareholders and stakeholders and to ensure that their views are communicated to the Board as a whole, in particular, at the AGM which represents the principal forum for dialogue and interaction with shareholders;
- (e) encouraging active participation and allowing dissenting views to be freely expressed;
- (f) leading the Board in establishing and monitoring good corporate governance practices in the Company;
- (g) in consultation with the company secretaries, setting the agenda for the Board meetings and ensures the Board members receive complete and accurate information in a timely manner;

- (h) managing the business of the Board including setting the Board agenda to ensure that:
 - i. all directors are properly briefed on issues arising at Board meetings.
 - ii. sufficient time is allowed for the discussion of complex or contentious issues and where appropriate, arranging for informal meeting to enable thorough discussion by the Board;
- (i) leading Board meeting and discussions. At Board meetings, the Chairman plays a mediator's role to maintain the order of the proceedings in a constructive, productive and effective manner;
- (j) entitled to a casting vote if two (2) Directors form a quorum, or if there are only two (2) Directors competent to vote on the question at issue.

The Chairman of the board should not be a member of the following committees of the Company: -

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

3.3 Roles and Responsibilities of the MD

The MD has overall executive responsibility for day-to-day business operations and the implementation of the Board's policies, corporate objectives, performance targets and long-term goals and making operational decisions.

The MD is responsible for ensuring the provision of accurate, timely and clear information relating to business and financials to the Board. All Board authorities conferred on the Management is delegated through the MD and this will be considered the MD's authority and accountability as far as the Board is concerned.

Generally, the MD is accountable to the Board for, among others, the following:

- (a) managing the day-to-day business operations of the Group;
- (b) to be accountable and responsible for the Group's operations, financial and sustainability performance;
- (c) ensuring that the applicable rules and regulations for the conduct of affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation;
- (d) representing the Group as the key spokesperson with all stakeholders including investors, regulators and business partners;
- (e) leading the development of the Group's operations and businesses and recommending short and long-term strategies to the Board;
- (f) assessing all business opportunities which are potentially beneficial to the Group;
- (g) maintaining awareness of the competitive market landscape, expansion opportunities and industry developments;
- (h) ensuring that the Group maintains high social responsibility wherever it does business; and
- (i) creating and implementing the Company's vision and mission.

3.4 Roles and Responsibilities of the Independent Directors

The Independent Directors shall provide independent judgment and objectivity 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 interest of the Company. The Independent Directors help to ensure that the interests of all shareholders and not only the interests of a particular group and that all relevant matters and issues are objectively and impartially considered by the Board.

The Independent Directors, amongst others, shall serve the roles and responsibilities including:-

- (a) providing independent judgment and participating actively in meetings, giving independent views in a constructive manner and bringing an element of objectivity to the Board's decision making.
- (b) providing a check and balance to the Board focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.

3.5 Roles and Responsibilities of the Senior Independent Director

The Senior Independent Director shall serve the roles and responsibilities include:

- (a) ensuring all Independent Directors have an opportunity to provide input on the agenda and advise the Chairman on the quality, quantity and timeliness of the information submitted by the Management that is necessary or appropriate for the Independent Non-Executive Directors to perform their duties effectively.
- (b) consulting the Chairman regarding Board meeting schedules to ensure the Independent Directors can perform their duties responsibly and with sufficient time for discussion of all agenda items.
- (c) serving as the principal conduct between the Independent Directors and the Chairman on sensitive issues.
- (d) serving as a designated contact for consultation and direct communication with shareholders and other stakeholders on areas that cannot be resolved through the normal channels of contact with the Chairman and the MD.

3.6 Roles and Responsibilities of the Executive Directors and Non-Executive Directors

The responsibilities of Non-Executive Directors are, amongst others, as follows:

- (a) advising and directing management in the development and evaluation of strategy;
- (b) scrutinising the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance;
- (c) satisfying themselves that the financial information presented is accurate; and
- (d) reviewing the risk management and internal control systems to ensure that they are robust and defensible.

3.7 Roles and Responsibilities of Company Secretaries

The Company Secretaries shall be a person who is qualified pursuant to the Act and competent in carrying his duties. The appointment and removal of the Company Secretaries shall be decided by the Board.

The roles and responsibilities of a Company Secretaries include, but are not limited to the following:-

- (a) managing all Board and committee meeting logistics, attending and recording minutes of all Board and committee meetings and facilitating board communications;
- (b) advising the Board on its roles and responsibilities;
- (c) facilitating the orientation of new Directors and assisting in Director's training and development;
- (d) advising the Board on corporate disclosures and compliance with the Company and securities regulations and Listing Requirements;
- (e) managing processes pertaining to the annual shareholder meeting;
- (f) monitoring corporate governance developments and assisting the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and
- (g) serving as a focal point for stakeholders' communication and engagement on corporate governance issues.

The Directors shall have unlimited access to the services of the Company Secretaries.

4. BOARD COMMITTEES

To assist the Board in the discharge of its duties effectively, the Board has delegated certain functions to the following Committees, each operating within clearly defined terms of reference:

- (a) ARMC;
- (b) NC; and
- (c) RC.

Apart from the above Board Committees, the Board may from time to time establish other Board Committees to assist the Board in discharging its responsibilities more effectively.

These Board Committees do not make decision on behalf of the Board. Each Board Committee will have the authority to examine particular issues within its terms of reference and make the necessary recommendations to the Board for its consideration and decision making.

4.1 ARMC

The ARMC shall be appointed by the Board from amongst their members. The membership of the ARMC shall consist of not less than three (3) members, consisting of wholly non-executive Directors and a majority of whom are independent.

The ARMC is tasked with reviewing the process of preparing and implementation of internal procedures, finding solutions and providing avenues for mitigating the elements of risk and maintaining control. In every financial quarter, the ARMC assumes the task of reviewing the draft announcements on the Group's financial results prior to its presentation to the Board.

The ARMC acknowledges the establishment of internal audit function in the Group. This is to ensure its independence in discharging its duties and responsibilities. The fulfillment of internal audit function in the Group is not confined to, but includes:-

- (a) appraising the effectiveness and application of administrative and financial controls and the reliability and integrity of data that is produced within the Group;
- (b) evaluating the adequacy and ascertaining the level of compliance with the Group's policies, plans, procedures and compliance with laws and regulations;
- (c) ascertaining the adequacy of controls for safeguarding Group's assets from losses of all kinds and as appropriate, verifying the existence of such assets;
- (d) reviewing the operations of the Group as a whole from the point of view of the economy, efficiency and effectiveness with which resources are employed and making cost effective recommendations to the Management;
- (e) conducting special reviews or investigations required by the Management or by the ARMC of the Board.

4.2 NC

The primary function of the NC is to set up the policy framework and to recommend to the Board, the nomination procedures and other terms of employment of the Directors. The determination of the nomination will be a matter to be decided by the Board as whole with the Director concerned abstaining from deliberations and voting on decision in respect of his individual nomination.

4.3 RC

The primary function of the RC is to set up the policy framework and to recommend to the Board, the remuneration package and other terms of employment of the Directors. The determination of the remuneration for non-executive Directors will be a matter to be decided by the Board as whole with the Director concerned abstaining from deliberations and voting on decision in respect of his individual nomination and remuneration package.

5. THE BOARD MEETING

The Chairman shall ensure that the Board Meeting be conducted at least on a quarterly basis throughout the financial year and shall have processes of meeting include:

- (a) a structured formal agenda and Board meeting papers relating to the agenda are circulated to all Directors at least five (5) working days before each Board meeting;
- (b) the Constitution stipulates the procedures for convening board meetings and the size and required attendance for the Board's quorum;
- (c) Board meeting agendas shall be the responsibility of the Chairman with input from the Board and/or the Company Secretaries;
- (d) the Company Secretaries shall be appointed as Secretary of the Board Meeting and minutes of meetings shall be taken and signed by the Chairman of the Board Meeting;
- (e) Board minutes of each Board meeting are kept by the Company Secretaries and are available for inspection by any director during office hours;
- (f) the Board and Board Committees are also allowed to carry out the resolution by way of circulation;
- (g) individual Directors must attend at least fifty per-cent (50%) of the Board meetings held in each financial year or such other percentage as may be prescribed by the Listing Requirements;
- (h) the participation of the Director can be facilitated by means of video or telephone conferencing;
- (i) the relevant management personnel may be invited to attend the Board meetings.
- (j) any Director who has a direct or deemed interest in the subject matter to be deliberated abstains from deliberation and voting on the same during the meeting.
- (k) the minutes prepared by the Company Secretary memorialise the proceedings of all meetings, including the tabling of pertinent issues, the substance of inquiry and response, members' suggestions and the decisions made, including whether any director abstained from voting or deliberating on a particular matter, as well as the rationale behind those decisions.

6. CONTINUING EDUCATION PROGRAMMES

In addition to the mandatory programmes as required by the Bursa Securities for newly appointed Director, Board members are encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Company's operations and business. The Board with the assistance of the NC will assess the training needs of the Directors and ensure Directors have access to continuing education programmes. The Board shall disclose in the Annual Report the education programmes or trainings attended by the Directors.

7. DIRECTORS REMUNERATION

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve these goals.

The level of remuneration for the executive Directors is determined by the RC after giving due consideration to the compensation levels for comparable positions among other similar industry. The concerned Director shall abstain from deliberation and voting on his own remuneration.

The maximum amount of Directors' fees and benefit to be paid to Directors will be recommended by the Board and subject to the shareholders' approval during the AGM.

No Director other than executive Directors shall have a service contract with the Company.

A formal independent review of the Directors' remuneration will be conducted on an annual basis.

8. BOARD EFFECTIVENESS EVALUATION (“BEE”)

The Board shall entrust the NC with the responsibility for carrying out the annual BEE.

The Board's effectiveness is assessed in the areas of composition, administration, accountability and responsibility, conduct, and the performance of the Chairman. The Board, through the Governance and Regulatory Committees effectiveness assessment, examines the respective Governance and Regulatory Committees, including their respective Chairmen, to ascertain whether their functions and duties are effectively discharged in accordance with their respective Terms of Reference.

The Directors' Self and Peer Assessment is intended to evaluate the mix of skills, experience and other relevant qualities the Directors bring to the Board, and takes into account the individual director's ability to exercise independent judgement at all times and to contribute to the effective functioning of the Board. The Self and Peer Assessment process also examines the ability of each Board or Committee member to give material input at meetings and to demonstrate a high level of professionalism and integrity in the decision-making process.

The assessment results from the BEE form the basis of the NC's recommendation to the Board for the re-election and/or re-appointment of Directors and Board Committee members as well as for further development of the Board and Board Committees.

9. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

The Board is mindful on the importance of maintaining proper corporate disclosure procedures with the aim to provide shareholders and investors with comprehensive, accurate and quality information on a timely basis.

The Company's website incorporates an Investor Relations (“IR”) section which provides all relevant information on the Company and is accessible by the public. This section enhances the IR function by including all announcements made by the Company, annual reports, Board Charter and the corporate and governance structure of the Company. The Company will enhance the disclosures on its website for broader and effective dissemination of information to its stakeholders from time to time. At the Annual General Meeting (“AGM”) presents the principal forum for dialogue and interaction with shareholders. The notice of meeting and the annual report are sent out to shareholders at least 21 days before the date of the meeting in accordance with the Company's Constitution. A presentation is given by the Chairman to explain the Group's strategy, performance and major Development to shareholders during the AGM. Shareholders are accorded both the opportunity and time to raise questions or offer constructive criticism pertaining to the operations and financial matter of the Group; whilst the Board and Senior Management will provide the answers and appropriate clarifications to issues raised. The external auditors will also be present to provide their professional and independent clarification on issues and concerns raised by the shareholders, if necessary.

In addition to the above, time will be allocated during AGMs for dialogue with shareholders to address issues concerning the Company. From the Company's perspective, the AGMs also serve as a forum for the Directors and the Management to engage with the shareholders personally to understand their needs and seek their feedback. The Board welcomes questions and feedback from shareholders during and at the end of shareholders' meeting and ensures their queries are responded in a proper and systematic manner.

10. FINANCIAL REPORTING

The Board aims to provide and present a clear, balanced and meaningful assessment of the Group's financial position and prospects by ensuring quality financial reporting through the annual financial statements and quarterly financial results to its stakeholders, in particular, shareholders, investors and the regulatory authorities.

The Audit and Risk Management Committee assists the Board in scrutinising information for disclosure to ensure the quality of financial reporting and adequacy of such information, prior to submission to the Board for its approval. As required by the Co Act, the Directors are responsible for the preparation of annual financial statements in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company at the end of each financial year and of the results and cash flows of the Group and of the Company for the financial year. The accounting policies and methods once adopted, are consistently applied and supported by reasonable judgements and estimates.

The Directors have responsibility for ensuring that Group keeps proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Group and to enable them to ensure that the financial statements comply with the Co Act and applicable approved accounting standards in Malaysia.

In addition, the Directors are also responsible for taking reasonable steps to safeguards the assets for the Group and to prevent and detect fraud as well as other irregularities.

11. EXTERNAL AUDITORS

The Board maintains a transparent and professional relationship with the external auditors. The ARMC meets with the external auditors at least once a year to discuss their audit plan, audit findings and the financial statements. The ARMC also meets the external auditors without the presence of the executive Directors and the management at least once a year. From time to time, the external auditors highlight to the ARMC and the Board on matters that require the Board's attention.

The role of the ARMC in relation to both the internal and external auditors is described in the Terms of Reference of the ARMC.

12. REMUNERATION

The fees of the NEDs and any benefits payable to the Directors including any compensation for loss of employment of a Director shall from time to time be determined by an Ordinary Resolution of the Company in general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree.

The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of Directors of the Company.

The Board has established a formal and transparent process for approving the remuneration of the NEDs and the Executive Director, whereby the RC is responsible for reviewing the remuneration policy and making recommendations on the same to the Board for approval. In its review, the RC considers various factors including the NEDs' fiduciary duties, time commitments expected of them and the Company's performance.

The review of the Directors' remuneration will be carried out by the RC on an annual basis for the approval of the Board prior to recommending the same for shareholders' approval at the annual general meeting of BWYS.

The RC may engage an external consultant to conduct the board remuneration review in conjunction with the engagement of an external consultant for the board effectiveness evaluation once every three (3) years.

13. CONFLICT OF INTEREST AND TRANSACTION INVOLVING DIRECTORS

Conflict arising from the interest (direct or indirect) of a director, member or major shareholder or person connected with such director, member or major shareholder in a transaction proposed to be entered into or action/decision to be taken by BWYS or its subsidiaries.

Where a Director has an interest (direct or indirect) in a transaction proposed to be entered into or action/decision to be taken by BWYS or its subsidiaries, he/she may be biased in making the commercial or regulatory decision which could be to the detriment of BWYS or its subsidiaries.

Directors can be regarded as having a conflict of interest where the company, he or she is associated with derives an advantage from him being a Director. Therefore, a director is required at all times to declare such conflict and if so required by the Board, to withdraw from any voting or deliberation of a matter in which the Director or member may have an interest.

The Co Act provides that a Director who is in any way, whether directly or indirectly, interested in a contract entered into or proposed to be entered into by the Company shall be counted only to make the quorum at the board meeting but shall not participate in any discussion while the contract or proposed contract is being considered at the board meeting and shall not vote on the contract or proposed contract.

Where a contract or proposed contract is entered into in contravention of Section 221 of the Co Act, the contract or proposed contract shall be voidable at the instance of the Company except if it is in favour of any person dealing with the Company for a valuable consideration and without any actual notice of the contravention. A director who knowingly contravenes Section 221 of the Co Act shall be guilty of an offence against the Co Act.

14. RELATIONSHIP WITH OTHER STAKEHOLDERS

In the course of pursuing the vision and mission of the Company, the Board recognises that no Company can exist by maximising shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.

In carrying out the objectives of sustainability, the Board continuously reviews and updates policies relating to:-

14.1 Employees

The Company provide training and skills enhancement programs to its employees from time to time due to the Company's strong emphasis on the welfare of its employees.

14.2 Environment

The Board recognises the need to safeguard and minimise the impact to the environment in the course of achieving the Group's corporate objectives. The Board supports initiatives on environmental issues and abides by all environmental impact laws and regulations in the course of its projects.

14.3 Corporate Social Responsibility

The Board acknowledges that the Company should play an important role towards the welfare of the community in which it operates. The Board shall support charitable causes and initiatives on community development projects.

15. INTERNAL CONTROL

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls that provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines. The effectiveness of the system of internal controls of the Group is reviewed periodically by the ARMC.

16. CODE OF ETHICS AND CONDUCT

The Directors are to maintain the highest degree of integrity and professionalism while at the same time promoting transparency and accountability in their actions.

BWYS has in place “Code of Conduct and Ethics for Directors” which is formulated to enhance the standard of corporate governance and behaviour through:

- (a) Establishing standards of ethical conduct for Directors based on acceptable beliefs and values;
- (b) Upholding the spirit of social responsibility and accountability in line with the legislations, regulations and guidelines governing Bursa Malaysia and the Group; and
- (c) Documenting and emphasising to the Directors, the integral obligation of each Director in performing his duty, to act in a manner that is lawful, honest, ethical and free from any conflict of interest or perceived conflict of interest.

17. WHISTLEBLOWER POLICY AND PROCEDURES

“Whistleblowing” is defined as “the deliberate, voluntary disclosure or reporting of individual or organizational malpractice by a person who has or had privileged access to data, events or information about an actual, suspected or anticipated improper conduct within the organisation or by an organisation that is within its ability to control”.

BWYS has in place “Whistleblower Policy and Procedures for Directors” to manage improper conduct on the part of the Directors, if any. This policy covers areas from lodging of reports to investigation and corrective actions that are required to be taken.

Director’s improper conduct is generally described as any conduct by a Director which if proved constitutes a criminal offence or any conduct that constitutes a wrongdoing or malpractice and may include any of the following:

- (a) The breach of any law, regulation or rule that is applicable to the Company. For example, a breach of insider trading laws;
- (b) Any criminal act, including criminal breach of trust, extortion and sabotage;
- (c) Any act that is likely to cause significant financial loss or costs to the Company including any intentional misrepresentation of the Company’s financial statements;
- (d) Any other action that would cause significant harm to the Company or to any person(s);
- (e) The deliberate concealment of information concerning any of the matters listed above.

The Board has overall responsibility for this policy and shall oversee the implementation of this policy.

18. REVIEW OF THE BOARD CHARTER

The Board Charter shall be reviewed by the Board as and when required. All amendments to Board Charter must be approved by the Board.

This Board Charter was adopted by the Board on 21 August 2023.

END