

**WESTPORTS HOLDINGS BERHAD**  
**(Registration No. 199301008024 (262761-A))**

**Board Charter**

<b>BOARD CHARTER</b>
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**Abbreviations included in this Board Charter**

AGM.....	Annual General Meeting
Board.....	The Board of Directors of the Company
Bursa Securities.....	Bursa Malaysia Securities Berhad
CA.....	Companies Act, 2016
CFO.....	Chief Financial Officer
Chairman.....	Chairman of the Board and is used in a gender neutral sense
Constitution.....	Constitution of the Company
Committee.....	The Board Committees of the Company
Company.....	Westports Holdings Berhad (Registration No. 199301008024 (262761-A))
Company Secretary.....	Board secretary(ies)
Directors.....	the Directors for the time being of the Company and unless otherwise stated, includes their duly appointed alternates
EGM.....	Extraordinary General Meeting
Group.....	The Company and its subsidiaries
Group MD.....	Group Managing Director
Independent Director.....	A Director who does not participate in the management of the Company and who satisfies the criteria for "independence" set out in the MMLR
Management.....	Management personnel of the Company
MMLR.....	Main Market Listing Requirements of Bursa Securities
MCCG.....	Malaysian Code on Corporate Governance 2017 <del>21</del>
Senior Management.....	Senior Management personnel of the Company

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**1. INTRODUCTION**

The Board regards corporate governance as vitally important to the success of the Group's business and are unreservedly committed in ensuring that the following principles of good governance are practised in all of its business dealings in respect of its shareholders and relevant stakeholders:

- The Board is the focal point of the Group's corporate governance system. It is ultimately accountable and responsible for the performance and affairs of the Group.
- All Board members are expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.
- All Board members are responsible in ensuring the Group achieves a high level of good governance.

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

The Board Charter serves as a reference point for Board activities and should not be construed as a blueprint for Board operations. Just as each organisation has its own corporate culture, the dynamics of each Board is unique. The dynamics shift as the composition of the Board changes, and the Directors of the Company should always be open to new opportunities and ready to confront new challenges brought about by change.

This Board Charter is to promote high standards of corporate governance and is designed to provide guidance and clarity for Directors and Management with regard to the role of the Board and its Committees, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as the Board's operating practices. This Board Charter does not overrule or pre-empt the statutory requirements of Directors enshrined in the CA, the Income Tax Act, 1967 and other relevant statutes, including the conduct of the Board as stipulated in the Constitution. To the extent of any conflict between the terms of this Board Charter and the Constitution prevails.

**2. OBJECTIVES**

The objectives of this Board Charter are to ensure that all Board members are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good corporate governance are applied in all their dealings in respect, and on behalf of, the Group.

In pursuit of the ideals in this Board Charter, the intention is to exceed "minimum legal requirements" with due consideration to recognised standards of best practices locally and internationally.

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**3. THE BOARD**

**3.1 Role**

**3.1.1** The Board is charged with leading and managing the Group in an effective and responsible manner. Each Director has a legal duty to act in good faith, to use reasonable care, skill and diligence and to act in the best interest of the Group. The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders for the manner in which the affairs of the Group are managed. The Board sets the Group's values and standards and ensures that its obligations to its shareholders and stakeholders are understood and met.

**3.1.2** The Board is fully committed to developing and maintaining high standards of corporate governance by implementing the prescriptions of the principles and best practices stated in the MCCG. Good governance holds management accountable to the Board and the Board accountable to the owners and other stakeholders. The Board's fundamental approach in this regard is to ensure that the right executive leadership, strategy and internal controls for risk management are well in place. The Board includes a narrative statement in its Company's annual report on the extent of compliance with the principles and best practices set out in the MCCG pursuant to Paragraph 15.25 of the MMLR.

**3.1.3** The Board ensures that the Company complies with the various guidelines issued by Bursa Securities and the Securities Commission Malaysia relating to disclosure and internal audit functions.

**3.1.4** Duties of the Board include establishing the corporate vision and mission of the Company, establishing its objectives and developing the strategies that direct the ongoing activities of the Company to achieve these objectives as well as the philosophy of the Company, setting the aims of Management and monitoring the performance of Management. The Board shall also determine the future of the Company and shall protect its assets and reputation.

**3.1.5** The Board assumes the following specific duties and responsibilities:

- a) Together with Senior Management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- b) Review, challenge and decide on management's proposals for the Group, and monitor its implementation by management;
- c) Supervise and assess management performance to determine whether the business is being properly managed;
- d) Review and approve the strategic plans of the Group, including addressing business strategies in ensuring the Group's sustainability supports long-term value creation;
- e) Supervise and assess Management's performance to determine whether the business is properly managed;

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- f) Understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks;
- g) Set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manager and monitor significant financial and non-financial risks;
- h) Ensure that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of the Board and Senior Management;
- i) Ensure that the Company has in place procedures to enable effective communication with its shareholders and other stakeholders;
- j) Ensure there is a sound framework for internal controls and risk management;
- k) Ensure the integrity of the Company's financial and non-financial reporting; and
- l) monitoring and reviewing Management processes aimed at ensuring the integrity of financial and other reporting.

**3.1.6** The Board reserves full decision-making powers on the following matters:

- a) Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- b) Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- c) Strategic investments, mergers and acquisitions and corporate exercises;
- d) Authority levels;
- e) Treasury policies;
- f) Risk management policies; and
- g) Key human resource issues.

**3.1.7** The responsibilities of the Directors include:

- a) To direct the management of the business and affairs of the Group;
- b) To attend substantially all the meetings of the Board and substantially all the meetings of each Committee on which the Director serves; and
- c) To review, before attending meetings of the Board or Committees, all materials provided by the Company relating to matters to be considered at the meetings.

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**3.2 Composition and Board Balance**

**3.2.1** The Board should consist of qualified individuals with diverse experiences, backgrounds, skills and perspectives to understand properly and deal with the current emerging issues of the business of the Company. The Constitution provides a minimum of three (3) and a maximum of fifteen (15) Directors. The composition and size of the Board should be such that it facilitates the making of informed, critical decisions without limiting the level of individual participation, involvement and effectiveness.

**3.2.2** In accordance with Paragraph 15.02 of the MMLR, at any one time, at least two (2) or one-third (1/3), whichever is higher, of the total Board members shall comprise of Independent Directors. If the number of Board members is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) must be used.

To foster greater objectivity in the boardroom, at least half of the Board shall compose of Independent Directors. The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations.

In the event of any vacancy in the Board, resulting in non-compliance with the above, the Board must ensure that the vacancy is filled within three (3) months, from the date of non-compliance.

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 the Board as a Non-Independent Director.

**3.2.3** The Group MD and the executive Director(s) are the "Executive" Directors on the Board. However, the views of the Management are represented at meetings of the Board by the presence of senior executives when required.

**3.2.4** The Independent Directors shall ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

**3.2.5** 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 Group MD have failed to resolve them.

**3.3 Appointments**

**3.3.1** The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination and Remuneration Committee ("NRC"). Further, in identifying candidates for appointment of directors, the Board does not solely rely on recommendations from existing Board members, management or major shareholders. The Board utilises variety of independent sources to identify suitably qualified candidates.

**3.3.2** Without limiting the generality of the foregoing, the qualifications for Board membership are:

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- (i) the ability to make informed business decisions and recommendations;
- (ii) an entrepreneurial talent for contributing to the creation of shareholder value;
- (iii) relevant experience in regional and/or international markets;
- (iv) education and experience that provides knowledge of business, financial, governmental or legal matters that are relevant to the Company's business or to its status as a publicly owned company;
- (v) ability to ask probing operational related questions, high ethical standards, sound practical sense;
- (vi) sufficient available time to be able to fulfil his or her responsibilities as a member of the Board and any of the Committees to which he or she may be appointed; and
- (vii) total commitment to furthering the interests of shareholders and the achievement of the Company's goals.

The Board shall undertake an assessment of its Independent Directors annually.

The directorships held by any Board member at any one time shall not exceed 5 in public listed companies or such other numbers as prescribed by the relevant regulatory bodies.

**3.3.3** The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.

**3.3.4** The Company has adopted an induction programme for newly appointed Directors. The induction programme aims at communicating to the newly appointed Directors, the Company's vision and mission, its philosophy and nature of business, current issues within the Group, the corporate strategy and the expectations of the Company concerning input from Directors.

**3.3.5** In addition to the Mandatory Accreditation Programme as required by the Bursa Securities, Board members are also encouraged to attend training programmes aid the Director in the discharge of his/her duties as a director conducted by competent professionals. The Board will assess the training needs of the Directors and disclose in the annual report the trainings attended by the Directors.

**3.3.6** The tenure of the executive Directors are tied to their executive office.

**3.4 Re-election**

Pursuant to the Constitution, all Directors must retire once at least every three (3) years but shall be eligible for re-election.

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**3.5 Time Commitment**

Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board performance of its duties and to give sufficient time and attention to the affairs of the Company. Any Director shall notify the Chairman before accepting any new directorship and such notification shall include the indication of time that will be spent on the new appointment.

**3.6 Duty to Disclose Interest**

**3.6.1** The Constitution stipulates that every Director who may have direct or indirect interest in any contract or proposed contract or arrangement with the Company and/or Group shall immediately declare his/her interest to the Board and shall not participate in deliberations and shall abstain himself/herself from casting his/her votes in any matter arising therefrom.

**3.6.2** Should there be an actual, potential or perceived conflict of interest between the Company and a Director, or an associate of a Director such as a spouse, other family member, or a related company (*as defined under Section 197 of the CA*), the Director involved shall make full disclosure and act honestly in the best interest of the Company.

**3.6.3** An actual, potential or perceived conflict of interest shall not necessarily disqualify an individual Director from the Board provided that full disclosure of the interest has been made in good faith and due honesty.

**3.7 Board Processes**

**3.7.1** The Board meets at least once every quarter to facilitate the discharge of their responsibilities. Members of Management who are not Directors may be invited to attend and speak at meetings on matters relating to their sphere of responsibility. The Board may also invite external parties such as the auditors, solicitors and consultants as and when the need arises.

**3.7.2** Any Director may participate at a Board meeting or Committee meeting by way of telephone and video conferencing or by means of other communication equipment in which event such Director shall be deemed to be physically present at the meeting and shall be taken into account in ascertaining the presence of a quorum at the meeting.

**3.7.3** The Company's Constitution provides for the passing of resolutions without having to hold a meeting. Urgent matters that cannot wait until the next Board meeting can be dealt with by a circulating resolution. Circulating resolutions should be approved by the Chairman or Group MD before being circulated. Where a decision is to be passed by circular resolution, the following will be observed:-

- a) The subject matter in the circular resolution shall not be contentious in nature and any material proposal will be deliberated in advance at a Board meeting before any circular is to be subsequently circulated.
- b) All circular resolutions should be numbered to ensure a proper record of all resolutions which have been circulated.

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- c) Relevant information and documentation (e.g. contract that is to be approved, declaration of interest by director) pertaining to the resolution to be passed should be attached to the circular resolution which is to be circulated to the Directors, so as to enable the Directors to make an informed decision.
- d) At Board meetings, all circular resolutions which have been passed since the date of the last Board meeting, will be circulated for notation of the Board.

**3.7.4** All Directors have the same right of access to all information and Senior Management within the Group, whether collectively as a Board or in their individual capacity in furtherance of their duties and responsibilities as Directors of the Company. Such right of access shall be subject to a formal written request to the Chairman furnishing satisfactory and explicit justification for such request.

**3.7.5** The Management is responsible for providing the Board with the required information in an appropriate and timely manner. If the information provided by the Management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.

**3.7.6** The notice of each Board meeting together with the agenda and comprehensive Board papers are circulated to all Directors at least ten (10) days prior to the meeting. When there is a need to table a report, a brief précis of findings and/or recommendations shall be prepared.

**3.7.7** Full Board minutes of each Board meeting are kept by the Company Secretary and are available for inspection by any Director during office hours, upon written request.

**3.7.8** If, on any matter discussed at a Board meeting, any Director holds views contrary to those of any of the other Directors, the Board minutes will clearly reflect this.

**3.7.9** The Board as well as any Director is entitled to obtain independent professional advice relating to the affairs of the Group or to his or her responsibilities as a Director, subject to Paragraph 3.7.10 below.

**3.7.10** If a Director considers such advice necessary for the discharge of his or her duties and responsibilities as Director and for the benefit of the Company, such Director shall obtain the Board's prior approval, and in seeking such advice, shall be required to comply with the following procedures:

- The request shall be made in writing to the Board;
- The Director concerned shall prepare a detailed paper to be submitted to the Board, highlighting inter alia the purpose behind the request and the estimated costs for the advice; and
- The Board shall deliberate on the said paper and at its absolute discretion determine if the Director concerned shall be permitted to seek independent professional advice. Should a request be denied, the Director concerned is entitled to have his or her views duly recorded



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**3.7.11** The cost of the advice shall be reimbursed by the Company. The Board or the Director, as the case may be, shall ensure that so far as is practicable, the cost is reasonable.

**4. CHAIRMAN, GROUP MD, INDEPENDENT DIRECTOR AND SENIOR INDEPENDENT DIRECTOR**

The Company aims to ensure a balance of power and authority between the Chairman and the Group MD with a clear division of responsibility between the running of the Board and the Company's business respectively. The positions of Chairman and Group MD are separated and clearly defined.

**4.1 Chairman**

**4.1.1** The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role. The Chairman is responsible for:

- a) providing leadership for the Board so that the Board can perform its responsibilities effectively;
- b) setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;
- c) leading Board meetings and discussions;
- d) encouraging active participation and allowing dissenting views to be freely expressed;
- e) managing the interface between Board and Management;
- f) ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole; and
- g) leading the Board in establishing and monitoring good corporate governance practices in the Company.

**4.1.2** The Chairman is responsible for running the business of the Board to ensure that:

- all Directors are properly briefed on issues arising at Board meetings.
- sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion.
- the issues discussed are forward looking and focused on strategy.

**4.1.3** The Chairman ensures that every Board resolution is put to vote to ensure the will of the majority prevails and any concern or dissenting views expressed by any Director on any matter deliberated at meetings of the Board are adequately addressed and duly recorded in the relevant minutes of meetings.

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- 4.1.4** The Chairman ensures that executive Directors look beyond their executive functions and accept their full share of responsibilities on governance.
- 4.1.5** The Chairman will have no casting vote if two (2) Directors form a quorum at a particular meeting, or if there are only two (2) Directors competent to vote on the question at issue.
- 4.2 Group MD**
- 4.2.1** The Group MD is the conduit between the Board and the Management in ensuring the success of the Group's governance and management functions.
- 4.2.2** The Group MD, in association with the Chairman, is accountable to the Board for the achievement of the Group's mission, goals and objectives and the Group MD is accountable to the Board for the observance of Management's limitations.
- 4.2.3** The Group MD has the executive responsibility for the day-to-day operations of the Group's business.
- 4.2.4** The Group MD implements the policies, strategies and decisions adopted by the Board.
- 4.2.5** All Board authorities conferred on the Management is delegated through the Group MD and this will be considered as the Group MD's authority and accountability as far as the Board is concerned.
- 4.2.6** Generally, the Group MD is responsible to the Board for the following:
- a) executive management of the Group's business covering, inter alia, the development of a strategic plan; an annual operating plan and budget; performance benchmarks to gauge management performance against and the analysis of management reports;
  - b) effectively overseeing the human resources of the Group with respect to key positions in the Group's hierarchy, determination of remuneration as well as terms and conditions of employment for Senior Management and issues pertaining to discipline;
  - c) assuring that the Group's corporate identity, products and services are of high standards and are reflective of the market environment;
  - d) be the official spokesman for the Company and responsible for regulatory, governmental and business relationships;
  - e) coordinating business plans with the business heads, coordinating management issues through the Board, and overseeing divisional function groups and cost containment process in consultation with the CFO and the regional office or head office of the Group;
  - f) regularly reviewing the heads of divisions and departments who are responsible for all functions contributing to the success of the Company;
  - g) assessing business opportunities which are of potential benefit to the Company;

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- h) maintaining and facilitating a positive working environment and good employee relations;
- i) promoting a high degree of corporate governance and ethics across the Group;
- j) ensures compliance with governmental procedures and regulations;
- k) assisting in the selection and evaluation of Board members through the NRC;
- l) assisting the Chairman in organising information necessary for the Board to deal with the agenda and for providing this information to Directors on a timely basis;
- m) developing long-term strategic and short-term profit plans, designed to ensure that the Group's requirements for growth, profitability and return on capital are achieved;
- n) support a culture within the Group that promotes ethical, socially responsible behaviour and sustainability initiatives in accordance with the Group's shared values; and
- o) ensures that the Group's Financial Reports present a true and fair view of the Group's financial condition and operational results and are in accordance with the relevant accounting standards.

**4.3 Independent Directors**

**4.3.1** Independent Directors are those who have no direct or indirect pecuniary interest in the Company other than the remuneration for their services as members of the Board of Directors and Board committees of the Company and the Group as defined under Paragraph 1.01 of the MMLR.

**4.3.2** The role of Independent Directors is to constructively challenge and help develop proposals on strategy include, inter alia:

- a) to make independent assessment of the information, reports or statements, having regard to the directors' knowledge, experience and competence, to provide independent view and demonstrate objectivity in reviewing and challenging the management's proposals at meetings;
- b) to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to keep abreast of industry issues, market development and trend, and enable them to sustain their active participation in board deliberations; and
- c) acts as a channel of communication between Management, shareholders and other stakeholders, and provide the relevant checks and balances, focusing on shareholders' and other stakeholders'

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interests and ensuring that high standards of corporate governance are applied.

**4.4 Senior Independent Director**

**4.4.1** The role of a Senior Independent Director shall include, amongst others:

- a) acts as a sounding board for the Chairman;
- b) ensures that all Independent Directors have an opportunity to provide inputs on matters brought up before the Board, and advise the Chairman on the quality, quantity and timeliness of the information submitted by Management that is necessary or appropriate for the Independent Directors to perform their duties effectively;
- c) consults the Chairman regarding Board meeting schedules to ensure the Independent Directors are able to perform their duties responsibly and with sufficient time for discussion of all agenda items;
- d) serves as the principal conduit between the Independent Directors and the Chairman on sensitive issues; and
- e) serves as the designated contact for consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact directly with the Chairman or the Group MD.

**5. BOARD COMMITTEES**

The Board reserves the right to establish Committees from time to time in the discharge of its duties and responsibilities. Where a Committee is formed, specific Charter of such committee would be established to serve as a guidance note which covers matters such as the purpose, composition and functions of the committee.

The Board appoints the following Board Committees:

- Audit Committee ("AC")
- NRC
- Risk Management Committee ("RMC")
- Sustainability Committee ("SC")

Independent and non-executive Directors play a leading role in these Committees. The Chairman of the various Committees will report to the Board on the outcome of the Committee meetings. The Management and third parties are co-opted to the Committees as and when required. Details of the memberships of the AC, NRC, RMC and SC, appointed by the Board are published in the annual report and in the Group's website. The role and responsibility of each Committee is as set out in written Charter as approved by the Board.

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**5.1 AC**

The AC assists and supports the Board's responsibility of overseeing the Group's operations by providing a means for review and monitoring of the integrity of the Group's financial reporting process, its management of risk and internal control system, its audit process as well as compliance with legal and regulatory matters, its own code of business conduct and such other matters that may be specifically delegated to the AC by the Board from time to time. In discharge of its duties and responsibilities, the AC reviews the quarterly financial results, unaudited and audited financial statements, internal and external audit reports as well as related party transactions.

The Charter of the AC can be found in the AC Charter.

**5.2 NRC**

The NRC oversees matters related to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director as well as identify candidates to fill board vacancies, and nominating them for approval by the Board.

The NRC is also responsible for recommending to the Board the remuneration policies, principles and the framework for the Company's Directors, Group MD and Senior Management.

The Charter of the NRC can be found in the NRC Charter.

**5.3 RMC**

The RMC assist the Board in fulfilling its statutory and fiduciary responsibilities, including ensuring that the Company has in place a sound and robust risk management and internal control framework and also ensure that such framework has been effectively implemented to enhance the Company's ability to achieve its strategic objectives.

The Charter of the RMC can be found in the RMC Charter.

**5.4 SC**

The SC assist the Board in reviewing policies and practices relating to Environmental, Social and Governance and Sustainable practices in accordance with applicable law.

The SC also reviews and recommends to the Board corporate governance principles and good practices to be implemented for the Group, in compliance with the MCGG.

The Charter of the SC can be found in the SC Charter.

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- 5.5** The Committees shall operate under their respective charters. The Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their charters. The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings and such reports or minutes will be included in the Board papers.

Although the Board has granted discretionary authority to these Committees to deliberate and decide on certain operational matters as set out in their respective charter, the ultimate responsibility for final decision on all matters lies with the Board.

**6. REMUNERATION LEVELS OF DIRECTORS**

- 6.1** 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 this goal.

- 6.2** The level of remuneration for the Group MD and Executive Directors is recommended by the NRC to the Board after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.

In fixing the remuneration to be paid to Directors who are not employees of the Group for serving on the Board and on Committees of the Board, the Board will consider the following:

- a) The compensation that is paid to Directors of other companies which are comparable in size to the Group.
- b) The amount of time it is likely Directors will be required to devote in preparing for and attending meetings of the Board and the Committees on which they serve.
- c) The success of the Company (which may be reflected in compensation related to the price of the Company's shares).
- d) If a Committee on which a Director serves undertakes a special assignment, the importance of that special assignment to the Group and its shareholders.
- e) The risks involved in serving as a Director and a member of Board Committees.

- 6.3** The fees and benefits payable to the Directors 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.

- 6.4** 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 board meetings of the Company.

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**6.5** Salaries and other emoluments payable to executive Directors pursuant to a service contract need not be determined by the Company in general meeting and such salaries and emoluments may not include a commission on or percentage of turnover.

**7. ACCOUNTABILITY AND AUDIT**

**7.1 Financial Reporting**

**7.1.1** The Board aims to present a clear and balanced assessment of the Group's financial position and future prospects that extends to the annual and quarterly reports.

**7.1.2** The Board ensures that the annual and interim financial statements are prepared so as to give a true and fair view of the current financial status of the Group in accordance with the approved accounting standards.

**7.1.3** The Group's practice is to announce to Bursa Securities its quarterly financial results as early as possible within two (2) months after the end of each quarterly financial period.

**7.1.4** The auditors' report shall contain a statement from the auditors explaining their responsibility in forming an independent opinion, based on their audit, of the financial statements.

**7.2 Company Auditors**

**7.2.1** The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company auditors through the AC.

**7.2.2** The AC also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company auditors. The AC ensures that the Company auditors do not supply a substantial volume of non-audit services to the Company.

**7.2.3** Appointment of the Company auditors is subject to approval of shareholders at general meeting. The Company auditors have to retire during the AGM every year and be re-appointed by shareholders for the ensuing year.

**7.3 Internal Controls and Risk Management**

**7.3.1** The Board has overall responsibility of maintaining a system of internal controls, which provides reasonable assurance of effective and efficient operations and compliance with laws and regulations as well as with internal policies and procedures.

**7.3.2** The Company has a well-resourced internal audit function, which critically reviews all aspects of the Company's activities and its internal controls. Comprehensive audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries are undertaken on a regular basis. The Head of Internal Audit has direct access to the Board through the Chairman of the AC.

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**7.3.3** The Company is committed to ensure that risk management practices and culture are entrenched into all business processes and operations to drive effective decision making and management practice. The risk management process will enable the identification, assessment, monitoring and management of material risk throughout the Group.

**7.3.4** The Board ensures the system of internal controls and enterprise risk management are reviewed on a regular basis by the RMC.

**7.3.5** The RMC receives reports regarding the outcome of such reviews on a regular basis.

**8.0 GENERAL MEETINGS**

**8.1 AGM**

**8.1.1** The Company regards the AGM as an important event in the corporate calendar of which all Directors and key senior executives should attend.

**8.1.2** The Company regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.

**8.1.3** The Chairman encourages active participation by the shareholders during the AGM.

**8.1.4** The Chairman and, where appropriate, the Group MD responds to shareholders' queries during the meeting. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.

**8.1.5** To keep the media informed, the Group will release press statement to all relevant press and hold a press conference, if necessary, after the AGM itself at which time the Group MD will brief those present on details of the financial year results.

**8.2 EGM**

The Directors will consider requisitions by shareholders to convene an EGM or any other urgent matters requiring immediate attention of the Company, in accordance with the procedure as set out in the Constitution of the Company.

**9. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION**

**9.1** The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Group and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.

**9.2** The Board ensures the timely release of financial results on a quarterly basis to provide shareholders and analysts with an overview of the Group's performance and operations in addition to the various announcements made during the year.



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**9.3** 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.

**9.4** A press conference will normally be held after each general meeting. At this press conference, the Chairman and/or Group MD and/or CFO and/or Senior Management will give a media briefing explaining the Group's results, prospects and outline any specific event for notation. All press releases will be vetted by the Group MD or CFO to ensure that information that has yet to be released to Bursa Securities is not released to the press.

**9.5** The Group's website, [www.westportsholdings.com](http://www.westportsholdings.com), provide easy access to corporate information pertaining to the Group and its activities and are continuously updated.

**10. OTHER STAKEHOLDERS**

**10.1 EMPLOYEES**

The Board acknowledges that the employees are invaluable assets of the Group and play a vital role in achieving the vision and mission of the Group. The Group adopts documented policies and procedures with respect to the following:-

- a) Occupational safety and health with the objective of providing a safe and healthy working environment for all employees;
- b) Industrial relations with the objective of managing employees' welfare and well-being in the workplace; and
- c) Code of Conduct

**10.2 ENVIRONMENT**

The Board acknowledges the need to safeguard and minimise the impact to the environment in the course of achieving the Group's vision and mission. The Group adopts documented policies and procedures as part of its commitment to protect the environment and contribute towards sustainable development. The Group supports initiatives on environmental issues.

**10.3 SUSTAINABILITY AND SOCIAL RESPONSIBILITY**

The Group recognises that the pursuit of port development inevitably impacts on the environment and takes steps to minimise the potentially harmful effects of such activities wherever practicable. The Company is therefore committed to developing in a sustainable way in the contest of environmental, economic and social considerations. The Group has a longstanding track record of thinking through how our developments can integrate with the local community and bring direct benefits as the planning process unfolds. The Group has a commitment to finding innovative ways to enhance learning and encourage local school and business links. The Group adopts documented policies and procedures towards responsible marketing and advertising of its products and services. The Group supports charitable causes and initiatives on community development projects.

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**10.4 ANTI-CORRUPTION COMPLIANCE PROGRAMME**

The Board shall ensure a sustainable anti-corruption compliance programme, which includes the Anti-Corruption and Bribery Policy and assign adequate resources to implement the anti-corruption compliance programme.

**11. WHISTLE-BLOWING POLICY**

To enhance corporate governance practices across the Group, a whistle-blowing policy was adopted which provides Directors, officers, employees and stakeholders of the Group with an avenue to report suspected improprieties such as illegal or unlawful conduct, breach of the Anti-Corruption and Bribery Policy, contravention of the Group's policies and procedures, acts endangering the health or safety of any individual, public or employee, and any act of concealment of improprieties. The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, to the extent possible, be protected from reprisal, victimisation, harassment or subsequent discrimination.

**12. CODE OF ETHICS**

The Board shall formalise and commit to ethical values through the maintenance of a code of ethics and ensure the implementation and compliance with the code of ethics. It should be read in conjunction with Anti-Corruption and Bribery Policy and Whistle Blower Policy.

**13. RELATIONSHIP WITH OTHER STAKEHOLDERS**

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

**13.2** The Board is responsible for:

- a) ensuring the Group's strategies promote sustainability;
- b) ensuring the rights of other stakeholders are not compromised;
- c) ensuring the Group has in place a policy to enable effective communication not just with shareholders, but with all stakeholders;
- d) establishing policies governing the Group's relationship with other stakeholders and the broader community; and
- e) establishing and maintaining environmental, employment and occupational health and safety policies.

**14. COMPANY SECRETARY**

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- 14.1** The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board recognises the fact that the Company Secretary should be suitably qualified and capable of carrying out the duties required of the post.
- 14.2** The key role of the Company Secretary is to provide unhindered advice and services for the Directors as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.
- 14.3** Other primary responsibilities of the Company Secretary shall include, but are not limited to the following:
- advising the Board on matters related to corporate governance and the MMLR;
  - ensuring that Board procedures and applicable rules are observed;
  - maintaining records of the Board and ensuring effective management of the Company's statutory records;
  - managing processes pertaining to annual shareholder meeting;
  - facilitate the orientation of new directors and assist in director training and development;
  - preparing comprehensive minutes to document Board proceedings and ensuring conclusions are accurately recorded;
  - assisting the communications between the Board and Management;
  - providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time;
  - preparing agendas and co-ordinating the preparation of the Board papers; and
  - serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

**15. APPLICATION**

- 15.1** The principles set out in this Board Charter are:
- a) kept under review and updated as practices on corporate governance develop and further guidelines on corporate governance are issued by the relevant regulatory authorities; and
  - b) applied in practice having regard to their spirit and general principles rather than to the letter alone.
- 15.2** The Board endeavours to comply at all times with the principles and practices set out in this Board Charter.

**16. ANNUAL PERFORMANCE EVALUATION OF THE BOARD, BOARD COMMITTEES AND INDIVIDUAL DIRECTORS**

The Board, through the NRC, will conduct an annual self-evaluation on its effectiveness as a whole, each individual Director and the different Committees established by the Board.

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**17. REVIEW OF BOARD CHARTER**

This Charter shall be reviewed every two years and may be amended by the Board as it deems appropriate.

This Board Charter is approved by the Board on 01 January 2022.