



WEIDA (M) BHD
(504747-W)

Board Charter



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Board Charter

(Adopted in the Board of Directors meeting held on 22 June 2018)

1. Introduction and purpose of Board Charter

The Board Charter (“Charter”) formalises the various roles and responsibilities of the Board of Directors (“the Board”), The Board Committees and individual Director of Weida (M) Bhd (“WEIDA” or “the Company”) with the aim of streamlining and enhancing corporate governance practices towards transparency, accountability and integrity in boardroom activities.

The Charter incorporates the Principles and Practices of the Malaysian Code on Corporate Governance 2017 (“MCCG 2017”), as considered appropriate, the Listing Requirements on corporate governance, certain aspects of the Company’s Articles of Association and relevant portions of the Companies Act 2016 insofar as the duties and responsibilities of Directors are concerned. Whilst the Charter serves as a structured guide, especially for new Directors who are on board, it should not be construed as an exhaustive blueprint for Directors of the Company.

2. Interpretation

In this Charter:

“Board” means the Board of Directors of the Company;

“Board Committees” means committees established by the Board from time to time, including Audit Committee, Nominating Committee, Remuneration Committee and Risk Management Committee;

“Bursa Securities” means Bursa Malaysia Securities Berhad;

“Business” means the business of the Company and all its subsidiaries;

“Chairman” means the Chairman of the Board and is used in a gender-neutral sense;

“Company Secretary(ies)” means the Board secretary(ies) or the person(s) normally exercising the functions of a Board secretary;

“Directors” means members of the Board;

“Group” means the Company and all its subsidiaries;

“Independent Director” is defined in accordance with Paragraph 1.01 of the Listing Requirements;

“Listing Requirements” means the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

“Management” means the management personnel of the Group; and

“Shareholders” means the shareholders of the Company.

3. Role of the Board and its principal responsibilities

3.1 The Board is collectively responsible for the proper stewardship of the Group's business and the creation of long term shareholder value, whilst taking into account interests of other stakeholders.

3.2 The principal responsibilities of the Board include the following:

- (a) reviewing and adopting a strategic plan for the Company, which also addresses the sustainability of the Group's businesses;
- (b) overseeing the conduct of the Group's businesses and evaluating whether or not its businesses are being properly managed;
- (c) identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
- (d) ensuring that all candidates appointed to senior management positions are of sufficient calibre, including having in place a process to provide for the orderly succession of senior management personnel and members of the Board;
- (e) overseeing the development and implementation of a shareholder communications policy;
- (f) reviewing the adequacy and integrity of the Group's internal control and management information systems; and
- (g) overseeing the Group's adherence to high standards of conduct/ethics and corporate behaviour, including the Code of Ethics for Directors set out in **Appendix A** of this Charter.

3.3 To ensure the direction and control of the Company are in the hands of the Board, a formal schedule of matters reserved for the Board's deliberation and decision is set out in **Appendix B** of this Charter.

4. Board structure

4.1 Board balance and composition

- 4.1.1 The Board shall be helmed by a Chairman, appointed by the Board, and comprise at least two (2) members or one-third ($\frac{1}{3}$) of the Board, whichever is higher, who are Independent Directors ("IDs") in accordance with the Listing Requirements.
- 4.1.2 The tenure of ID shall be for a cumulative term of nine (9) years since appointment as ID. The ID may continue to serve on the Board beyond the nine (9) years tenure provided the ID is re-designated as a Non-Independent Director. Where the Board is of the view that the ID can continue beyond the 9-year tenure, it must justify and seek for shareholders' approval. The Board shall also identify from amongst its members for inclusion in the Company's Annual Report a Senior Independent Non-Executive Director to whom concerns of fellow Directors, shareholders or stakeholders may be conveyed.
- 4.1.3 To enhance its effectiveness, the Board shall ensure its members have the relevant skills, experience, expertise and time commitment. Accordingly, the Nominating Committee is entrusted by the Board to appraise candidates for directorship, including those who retire and offer themselves for re-election or re-appointment, before recommending to the Board. The Board is mindful of the need for board diversity and, in this context, the Nominating Committee takes into consideration gender diversity when recommending to the Board.

- 4.1.4 The composition of the Board shall be guided by the Board Diversity Policy, set out in **Appendix C**, to ensure the Board is of appropriate mix so as to optimise the performance of the Board as a whole and align the Board's capabilities with the strategic direction of the Company.
- 4.1.5 Directors shall not sit on the boards of more than five (5) listed issuers and before accepting any new directorship, Directors shall notify the Chairman, the notification of which shall include an indication of time that will be spent on the new appointment.

4.2 Role of Chairman

The Chairman assumes a leadership role in the Board and represents the same to shareholders of the Company. The Chairman is primarily responsible, amongst others, for the following:

- (a) presiding at Board and shareholder meetings and ensuring the proceedings thereof comply with good conduct and practices. The Chairman may delegate the task of chairing such meetings to any member of the Board;
- (b) ensuring timely dissemination of notice of meeting and agenda to Directors, including relevant Board papers and information pertaining to issues scheduled for discussion and/or approval at meetings; and
- (c) acting as facilitator at Board meetings and ensuring that no member, whether executive or otherwise, dominates discussion. The Chairman shall also encourage Board members to participate in discussions and that relevant opinions amongst members are forthcoming, resulting in logical and understandable outcomes.

4.3 Role of Executive Directors (including the Group Executive Chairman)

- 4.3.1 Executive Directors ("EDs") serve as a conduit between Management and the Board and are responsible for the effective implementation of the Company's strategic plan and policies established by the Board, besides managing the daily operations of the Company.
- 4.3.2 Generally, the EDs are responsible to the Board for the following key functions:
- (a) achievement of Company's goals and observance of Management authorities delegated by the Board; and
 - (b) developing long-term strategic and short-term business plans, designed to enable the Company's requirements for growth, profitability and return on capital to be achieved.

4.4 Role of Non-Executive Directors ("NEDs")

The roles of NEDs largely encompass the monitoring of Company performance and contributing to the development of Company strategy, clarified as follows:

- (a) Strategy: Constructively challenge and contribute to the development of Company strategy; and
- (b) Performance: Oversee the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

4.5 Role of Senior Independent Director ("SID")

The SID's role involve:

- a) working closely with the Chairman, acting as a sounding board and providing support;
- b) acting as an intermediary for other directors as and when necessary;

- c) being available to shareholders and other non-executive directors to address any concerns or issues they feel have not been adequately dealt with through the usual channels of communication (e.g. through the Chairman, the chief executive or finance director); and
- d) meeting at least annually with the non-executive directors to review the Chairman's performance and carrying out succession planning for the Chairman's role.

4.6 Company Secretary(ies)

4.6.1 The appointment and removal of the Company Secretary(ies) is a matter for the Board as a whole, subject to the provisions in the Company's Articles of Association. The Company Secretary(ies) shall be suitably qualified and capable of carrying out the duties required of the post.

4.6.2 The primary responsibilities of the Company Secretary(ies) shall include the following:

- (a) ensuring that Board procedures and applicable rules are observed;
- (b) maintaining records of the Board and Board Committees and its respective meetings and ensuring effective management of the Company's records;
- (c) preparing comprehensive minutes to document Board and Board Committee proceedings and ensure conclusions are accurately recorded; and
- (d) timely dissemination of information relevant to Directors' roles and functions and keeping them updated on new or evolving regulatory requirements.

4.7 Board Committees

4.7.1 The Board shall establish Committees from time to time to assist the Board in the discharge of its duties and responsibilities. Each Committee has its own terms of reference in writing, specified by the Board, detailing its roles and responsibilities, structure and composition.

4.7.2 A number of standing Committees, with written terms of reference have been established, namely the following:

(a) **Audit Committee**

The terms of reference of the Audit Committee are attached as **Appendix D** of this Charter; and

(b) **Nominating Committee**

The terms of reference of the Nominating Committee are attached as **Appendix E** of this Charter.

(c) **Remuneration Committee**

The terms of reference of the Remuneration Committee are attached as **Appendix F** of this Charter.

(d) **Risk Management Committee**

The terms of reference of the Remuneration Committee are attached as **Appendix G** of this Charter.

4.8 The Board's relationship with shareholders and stakeholders

4.8.1 The Board shall maintain a communications policy that enables both the Board and Management to communicate effectively with the Company's shareholders, stakeholders and the general public.

- 4.8.2 The Board shall ensure that the General Meetings of the Company are conducted in an efficient manner to enhance shareholder communications.

5. Board procedures

5.1 Board meetings

- 5.1.1 Meetings shall be conducted at least on a quarterly basis. The Company Secretary(ies) shall prepare and distribute to all Directors in advance a timetable for the meetings for the year. The Company Secretary(ies) shall work together with the Chairman in developing the meeting agenda.
- 5.1.2 Directors are required to attend Board meetings. However, other senior officers may be invited to attend meetings for particular items within their responsibility. The Board may also invite external parties, such as the auditors, solicitors and consultants as and when the need arises.

5.2 Agenda

The Chairman, in conjunction with the Company Secretary(ies), shall assess the type of information needed to be supplied to the Board and the contents of the agenda. The agenda shall include, amongst others, matters specifically reserved for the Board's decision. The Board shall record its deliberation, in terms of the issues discussed, and the conclusions thereof, in discharging its duties and responsibilities.

5.3 Meeting papers

To allow sufficient time for Directors to consider the relevant information, Board papers and agenda items are to be circulated at least five (5) business days, or a shorter period where unavoidable, prior to the meeting. Where there is a need to table a report, a brief statement of findings and/or recommendations is prepared.

5.4 Access to information

All Directors shall have unrestricted access to Management and to information pertaining to the Company, including access to the Company auditors, consultants and Company Secretary, relevant to the furtherance of their duties and responsibilities as Directors of the Company.

5.5 Independent professional advice

- 5.5.1 In discharging the Directors' duties, each member of the Board is entitled to obtain independent professional advice at the cost of the Company.
- 5.5.2 Where such advice is considered necessary for the discharge of his duties and responsibilities as Director and, for the benefit of the Company, such Director shall first discuss it with the Chairman and, having done so, shall be free to proceed, where appropriate.

6. Directors' training

Directors are required to undergo the mandatory accreditation programme under the auspices of Bursa Securities. In addition, Directors are required to attend relevant training courses/seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of Directors as well as technical matters, for example, financial reporting standards, tax, budgets, etc. The Nominating Committee shall decide on the continuous education training programme for Directors.

7. Directors' remuneration

- 7.1 NEDs will be paid a fee for acting as Directors of the Company and meeting allowances for their attendances at meetings, subject to the approval by shareholders,; and

7.2 The remuneration of EDs shall be reviewed by the Remuneration Committee and recommended to the Board for approval with the individual Director concerned abstaining from discussing his individual remuneration. The amount of remuneration payable shall be determined with reference with the Group's performance.

8. Board and member assessment

The Nominating Committee is entrusted by the Board to review the performance and effectiveness of the Board and Board Committees, including individual Directors and Senior Management as required by the authority from time to time, annually, with the assessment report, together with a report on the Board balance covering the required mix of skills, experience and other qualities of Board members, for discussion at the full Board.

9. Review of Board Charter

The Board should review the Charter annually or as changes arise to ensure that the allocation of responsibilities reflects the dynamic nature of the relationship necessary for the Company to adapt to changing circumstances.

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DIRECTORS' CODE OF ETHICS

As prescribed by Section 213(1) of the Companies Act 2016, Directors of a Company shall at all times exercise his powers in accordance with the Companies Act 2016, for a proper purpose and act in good faith in the best interest of the Company. Directors shall adhere to the general principles of integrity, objectivity, accountability, openness, honesty and leadership.

The Directors shall observe the Directors' Code of Ethics, which includes the following:

- (i) Observe high standards of corporate governance, in particular the practices set out in the Malaysian Code on Corporate Governance 2017, the Main Market Listing Requirements of Bursa Securities, the Companies Act 2016 and the Capital Markets and Services Act, 2007;
- (ii) Not to misuse information gained in the course of duties for personal gain or for any other purpose, nor seek opportunities in the course of service as Directors to promote private interests or those of connected persons, firms, businesses or other organisations;
- (iii) Adhere to the regulatory requirements pertaining to trading in the Company's shares, including insider trading.

In the performance of his duties, a director should at all times observe the following codes:

A) Corporate Governance

- 1) Should have a clear understanding of the aims and purpose, capabilities and capacity of the Company;
- 2) Should devote time and effort to attend meetings and to know what is required of the Board and each of its directors, and to discharge those functions;
- 3) Should ensure at all times that the Company is properly managed and effectively controlled;
- 4) Should stay abreast of the affairs of the Company and be kept informed of the Company's compliance with the relevant legislation and contractual requirements;
- 5) Should insist on being kept informed on all matters of importance to the Company in order to be effective in corporate management;
- 6) Should limit his directorship of companies to a number in which he can best devote his time and effectiveness; each director is his own judge of his abilities and how best to manage his time effectively in the Company in which he holds directorship;
- 7) Should have access to the advice and services of the company secretary, who is responsible to the Board to ensure proper procedures, rules and regulations are complied with;
- 8) Should at all times exercise his powers for the purposes they were conferred, for the benefit and prosperity of the Company;
- 9) Should disclose immediately all contractual interests whether directly or indirectly with the Company;
- 10) Should neither divert to his own advantage any business opportunity that the Company is pursuing, nor may he use confidential information obtained by reason of his office for his own advantage or that of others;
- 11) Should at all times act with utmost good faith towards the Company in any transaction and to act honestly and responsibly in the exercise of his powers in discharging his duties;
- 12) Should be willing to exercise independent judgment and, if necessary, openly oppose if the vital interest of the Company is at stake;

13) Relationship with Shareholders, Employees, Creditors and Customers:

- 13.1 Should be conscious of the interest of shareholders, employees, creditors and customers of the Company;
- 13.2 Should at all times promote professionalism and improve the competency of management and employees; and
- 13.3 Should ensure adequate safety measures and provide proper protection to workers and employees at the workplace.

B) Social Responsibilities and the Environment

- 1) Should ensure that necessary steps are taken in accordance with the law to properly wind-up or strike off the company register if the company has not commenced business or has ceased to carry on business and is not likely to commence business in the future or resume business as the case may be;
- 2) Should adopt an objective and positive attitude and give the utmost cooperation for the common good when dealing with government authorities or regulatory bodies;
- 3) Should ensure the effective use of natural resources, and improve quality of life by promoting corporate social responsibilities;
- 4) Should be more proactive to the needs of the community and to assist in society-related programmes in line with the aspirations of the concept of 'Caring Society' in Vision 2020; and
- 5) Should ensure that the activities and the operations of the Company do not harm the interest and well-being of society at large and assist in the fight against inflation.

FORMAL SCHEDULE OF MATTERS RESERVED FOR THE BOARD

The following summarises the list of key matters reserved for the Board's deliberation and decision:

1. Board structure

- (a) Appointment and recommendation for removal of Directors.
- (b) Appointment and removal of Company Secretary(ies).
- (c) Establishment of Board Committees, their members and the specific terms of reference.

2. Board remuneration

- (a) Recommendation of fees for Directors to be approved by shareholders.
- (b) Approval of remuneration packages, including service contracts, for Executive Directors.

3. Company's operations

- (a) Review and approval of Company's strategic plan and annual budget (including capital expenditure budget).
- (b) Approval of capital expenditure exceeding prescribed thresholds based on the formalised limits of authority.
- (c) Approval of limits of authority for the Company.

4. Financial

- (a) Approval of financial statements and their release (including financial reports for announcement to Bursa Malaysia Securities Berhad ("Bursa Securities")).
- (b) Approval of interim dividends for payment and the recommendation of final dividend or other distribution for shareholders' approval.
- (c) Review the effectiveness of the Group's system of risk management and internal controls via the Audit Committee.

5. Others

- (a) Granting of power of attorney by the Company.
- (b) Entering into any corporate guarantee and indemnity issued by the Company.
- (c) Approval of announcements by the Company to Bursa Securities.

BOARD DIVERSITY POLICY**Policy statement**

The Board strongly advocates board diversity as a truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background and other qualities of Directors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately.

The Company's goals and core principles are taken into consideration in the development of this Policy. The Company's strategic intent for board diversity is the attraction, retention and development of a diverse team of skilled people towards the delivering of the Company's strategy. The Policy is centred on the following initiatives:

- (1) Identifying and creating the right balance of skills and industry experience, background of Directors;
- (2) Retaining Directors based on performance and merit, in the context of skills, time commitment and experience, in order for the Board to be effective; and
- (3) The Board's Nominating Committee to review and assess the Board composition and mix, and make recommendations on the nomination and appointment of new Directors. The Committee is tasked with the following responsibilities:
 - (a) to nominate and appoint members based on merit and free of prejudice, whilst simultaneously considering a broader sense of diversity and its advantages, when reviewing Board composition; and
 - (b) to consider the mix of skills, experience, independence, knowledge and the diversity representation of the Board, as part of the annual performance evaluation of the effectiveness of the Board, Board Committees and individual Directors.

AUDIT COMMITTEE CHARTER (TERMS OF REFERENCE)

1. Constitution

The Audit Committee (“the Committee”) was established on 17 May 2001. The functions and authority of the Committee extend to Weida (M) Bhd and all its subsidiaries, collectively referred to as “the Group”.

2. Primary objectives

The Committee has been formed with the following objectives:

- (a) enhance openness, integrity and accountability in the Group’s activities so as to safeguard the rights and interests of the shareholders;
- (b) provide assistance to the Board of Directors (“the Board”) in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices;
- (c) enhance the Group’s business effectiveness and efficiency, quality of the accounting and audit functions and strengthen the public’s confidence in the Group’s reported results;
- (d) maintain, through regularly scheduled meetings, a direct line of communication between the Board and the External and Internal Auditors; and
- (e) enhance the independence of the internal audit functions.

3. Membership

The Committee shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members. All the Committee members must be Non-Executive Directors, with a majority of them being Independent Directors. No Alternate Director shall be appointed as a member of the Committee. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

At least one (1) member of the Committee:

- must be a member of Malaysian Institute of Accountants (“MIA”); or
- if he is not a member of the MIA, he must have at least three (3) years working experience and:
 - he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - he must be a member of one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad (“Bursa”).

A cooling-off period of at least two (2) years is required from a former key audit partner before being appointed as a member of the Committee. The key audit partner includes the engagement partner, the individual responsible for the engagement of quality control review, and other audit partners, if any, on the engagement team who make key decisions or judgments on significant matters with respect to the audit of the financial statements on which the auditor will express an opinion.

If membership of the Committee for any reason falls below three (3) members, the Board shall, within three (3) months of that event, appoint such number of new members as may be required to fulfil the minimum requirement.

4. Chairman

The Chairman of the Committee (“the Chairman”) shall be an Independent Director elected by the members of the Committee. The Chairman is not the Chairman of the Board. If the Chairman is absent at any meeting, members present at the meeting shall elect one (1) of them who is an Independent Director to chair the meeting. In the event the position of Chairman falls vacant, it must be filled within three (3) months therefrom.

5. Secretary

The Secretary to the Committee shall be any one (1) of the Joint Company Secretaries.

In the absence of the Secretary at the meeting, the members present at the meeting shall elect any other person as the Secretary of the meeting.

6. Quorum

A quorum of a meeting of the Committee shall consist of a majority of Independent Directors and shall not be less than two (2) Independent Directors. For the purpose of determining whether the quorum for the transaction of the business of the Committee exists in the case of a meeting of the Committee, in addition to the members present at the meeting, any member in telephonic, video conferencing or electronic communication with such meeting shall be counted in the quorum.

7. Meetings and Minutes

The Committee shall hold at least four (4) meetings a year. Additional meetings may be held as and when necessary, upon request by any Committee member, the Management, Internal or External Auditors. Internal Auditors or persons carrying out the internal audit function or activity, the Senior Management and senior finance department personnel are normally invited to attend the meetings. Other members of the Board of Directors, employees and representatives of External Auditors shall attend the meetings upon the invitation of the Committee.

Notice of any meeting of the Committee may be given by telephone or facsimile and the contemporaneous linking together by telephone or such other electronic communication of a number of the members being not less than the quorum shall be deemed to constitute a meeting of the Committee wherever in the world they are, as long as:

- (a) the quorum of Committee is met;
- (b) at the commencement of the meeting each member acknowledges the presence thereof to all the other members taking part and such participation shall be deemed to be present in person;
- (c) each of the members taking part is able to hear each of them, subject as hereinafter mentioned throughout the meeting;
- (d) the members present at the commencement of the meeting do not leave the meeting by disconnecting the telephone, video conferencing or such other electronic devices, but the meeting shall be deemed to have been conducted validly notwithstanding that a member’s telephone, video conferencing or such other electronic devices is unintentionally disconnected during the meeting and the proceedings thereof shall be deemed to be as valid as if the telephone, video conferencing or such other electronic devices had not been disconnected;
- (e) all information and documents are made equally available to all participants prior to or at/during the meeting; and

- (f) minutes of the proceedings shall be sufficient evidence thereof and of the observance of all necessary formalities if signed and certified by the Chairman.

Notice of meeting and board papers shall be given to all members of the Committee at least fourteen (14) days and five (5) business days respectively before the date of meeting.

The Secretary shall discuss with Senior Management on the agenda. The final agenda for the meeting will be approved by the Chairman or in his absence, by any one (1) of the Committee's members. The Secretary will inform/remind the relevant persons to submit their reports/materials/papers on presentation to him at least eight (8) days before the date of meeting. In the case where the subject matter/agenda item is sensitive or otherwise confidential or in a state of flux, the reports/materials/papers shall be directly circulated/presented at the meeting.

The decision of the Committee shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote, provided that where two (2) members form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question in issue, the Chairman shall not have a casting vote.

Minutes of each meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and shall be accepted as *prima facie* evidence without further proof of the facts stated therein. Such minutes of meetings shall be kept by the Secretary and distributed to each member of the Committee. The Chairman shall report on each meeting to the Board from time to time.

A resolution in writing signed by all members of the Committee shall be deemed to have been passed at a meeting held on a date on which it was signed by the last member of the Committee.

8. Authority

The Committee is authorised by the Board to:

- (a) investigate any activity within its terms of reference and shall have unrestricted access to all employees of Weida (M) Bhd ("WEIDA" or "the Company") and its Group of Companies ("the Group");
- (b) have the resources in order to perform its duties as set out in its terms of reference;
- (c) have full and unrestricted access to information pertaining to the Group;
- (d) have direct communication channels with the Internal and External Auditors;
- (e) obtain external legal or other independent professional advice as necessary; and
- (f) convene meetings with the Internal Auditors, External Auditors or both, excluding the attendance of other Directors and employees of the Group at least twice a year.

Notwithstanding anything to the contrary hereinbefore stated, the Committee does not have executive powers and shall report to the Board on matters considered and its recommendations thereon, pertaining to the Group.

9. Responsibility

Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements, the Committee has the responsibility to promptly report such matter to Bursa.

10. Functions and Duties

The duties of the Committee are to:

- (a) consider the appointment or re-appointment, nomination, resignation and dismissal of External Auditors and the audit fee and any questions of resignation or dismissal;
- (b) review the nature and scope of audit plans prepared by the Internal and External Auditors before the audit commence;
- (c) review the audit reports prepared by the Internal and External Auditors, the major findings and Management's responses thereto;
- (d) discuss problems and reservations arising from the interim and final audits, and any matter the External Auditors may wish to bring up;
- (e) review the quarterly unaudited financial statements and annual audited financial statements of the Company and the Group, primarily focusing on the matters set out below, before submission to the Board:
 - implementation of major accounting policy changes;
 - significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; and
 - compliance with accounting and financial reporting standards, and legal requirements.
- (f) review the internal audit plan, processes, the results of the internal audit assessments and to consider the Internal Audit Reports, major findings and Management's responses thereto on any internal investigations carried out by the Internal Auditors and ensure that appropriate action is taken by Management in respect of the audit observations and the Committee's recommendations;
- (g) review the auditors' evaluation of the systems of internal controls;
- (h) review the adequacy of the scope, competency and resources of the Internal Audit Department ("IAD") and whether it has the necessary authority to carry out its work;
- (i) review any appraisal or assessment of the performance of the staff in the IAD and their independence and effectiveness of the overall audit process;
- (j) approve appointment or termination of Senior Executives in the IAD;
- (k) be informed of any resignation of Executives in the IAD and to provide the resigning Executive an opportunity to submit his or her reason for resigning;
- (l) review the assistance given by the Company and the Group's employees to the auditors;
- (m) review related party transactions and conflict of interest situation that may arise within the Company and the Group including any transactions, procedures or cause of conduct that raises questions of Management integrity;
- (n) review any letter of resignation from the External Auditors of the Group;
- (o) review whether there is reason (supported by grounds) to believe that the Group's External Auditors is not suitable for re-appointment;
- (p) to establish and review policies and procedures to assess the suitability and independence of External Auditors; and

- (q) to review the Internal Control Statement for disclosure in Annual Report prior to recommendation to the Board for approval;
- (r) to review terms of reference of Committee and recommended to the Board for approval; and
- (s) perform such other functions as may be agreed to by the Committee and the Board.

11. Review of the composition of the Audit Committee

The Nominating Committee shall review the term of office, performance and effectiveness of the Committee and each of its members annually to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

**NOMINATING COMMITTEE CHARTER
(TERMS OF REFERENCE)****1. Primary Purpose**

The key tasks of the Nominating Committee (“the Committee”) is to ensure that Weida (M) Bhd recruits, retains, trains and develops the best available executive and non-executive directors and manages its Board of Directors (“Board”) renewal and succession effectively.

2. Membership

- 2.1 The Committee shall be appointed by the Board from among their numbers and shall be composed of no fewer than three (3) in number;
- 2.2 The Committee shall comprise exclusively of non-executive directors, a majority of whom must be independent. No alternate director can be a member of the Committee;
- 2.3 The Chairman of the Committee shall be the senior independent director identified by the Board;
- 2.4 If a member of the Committee resigns, dies, or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members; and
- 2.5 The appointment of a committee member terminates when the member ceases to be a director.

3. Authorities and duties

- 3.1 To determine the core competencies and skills required of Board members to best serve the business and operations of the Group as a whole, and the optimum size and composition of the Board to reflect the desired board balance, skills and competencies;
- 3.2 To review the size of non-executive participation, Board balance and determine if additional Board members are required and also to ensure that at least one-third (1/3) of the Board is independent;
- 3.3 To select, assess and recommend to the Board, all candidates for all directorships to be filled by the shareholders or the Board;
- 3.4 To consider, in making its recommendations, candidates for directorships proposed by the Group Executive Chairman and, within the bounds of practicality, by any other senior executive or any director or shareholder;
- 3.5 To assess and recommend to the Board, directors to fill the seats on Board Committees;
- 3.6 To undertake an annual review of the required mix of skills and experience and other qualities of directors, including core competencies which non-executive directors should bring to the Board;
- 3.7 To assist the Board to introduce a criteria and formulate and implement a procedure to be carried out by the Committee annually for assessing the effectiveness of the Board as a whole, the Board Committees and for assessing the contributions of each individual director;

- 3.8 To recommend to the Board, directors for re-election and/or re-appointment at Annual General Meeting;
- 3.9 To evaluate for the purpose of ensuring that each of its directors, chief executive or chief financial officer has the character, experience, integrity, competence and time to effectively discharge his role as a director, chief executive or chief financial officer, as the case may be, of Weida (M) Bhd;

“chief executive” and “chief financial officer” are those defined in the Listing Requirements;
- 3.10 To develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors. To undertake annual assessment of the independence of independent directors;
- 3.11 To review the Board’s succession plans and to determine the training needs and programmes for directors;
- 3.12 To establish and review a policy formalising the Board’s approach to boardroom diversity;
- 3.13 To facilitate Board induction and training programmes; and
- 3.14 To introduce such regulations, guidelines, and procedures to function effectively and fulfil the Committee’s objectives; and
- 3.15 To review the term of office and performance of Audit Committee and each of its members annually.

4. Chairman

The Chairman of the Committee shall be an Independent Director appointed by the Board. In the absence of the Chairman of the Committee, members present at the meeting shall elect one (1) of them to chair the meeting.

5. Secretary

The Secretary of the Committee shall be any one (1) of the Joint Company Secretaries.

In the absence of the Secretary at the meeting, the members present at the meeting shall elect any other person as the Secretary of the meeting.

6. Quorum, Meetings and Minutes

A quorum of a meeting of the Committee shall consist of a majority of independent directors and shall not be less than two (2) independent directors. For the purpose of determining whether the quorum for the transaction of the business of the Committee exists in the case of a meeting of Committee, in addition to the members present at the meeting, any member in telephonic, video conferencing or electronic communication with such meeting shall be counted in the quorum.

The Committee shall hold at least one (1) meeting a year. Additional meetings may be held as and when necessary. Other members of the Board of Directors shall attend the meetings upon the invitation of the Committee.

Notice of any meeting of the Committee may be given by telephone or facsimile and the contemporaneous linking together by telephone or such other electronic communication of a number of the members being not less than the quorum shall be deemed to constitute a meeting of the Committee wherever in the world they are, as long as:

- 6.1 the quorum of Committee is met;

- 6.2 at the commencement of the meeting each member acknowledges the presence thereof to all the other members taking part and such participants shall be deemed to be present in person;
- 6.3 each member taking part is able to hear every other member subject as hereinafter mentioned throughout the meeting;
- 6.4 the members present at the commencement of the meeting do not leave the meeting by disconnecting the telephone, video conferencing or such other electronic devices, but the meeting shall be deemed to have been conducted validly notwithstanding that a member's telephone, video conferencing or such other electronic devices is unintentionally disconnected during the meeting and the proceedings thereof shall be deemed to be as valid as if the telephone, video conferencing and such other electronic devices had not been disconnected;
- 6.5 all information and documents are made equally available to all participants prior to or at/during the meeting; and
- 6.6 minutes of the proceedings shall be sufficient evidence thereof and of the observance of all necessary formalities if signed and certified by the Chairman.

Notice of meeting and meeting papers shall be given to all members of the Committee at least fourteen (14) days and five (5) business days respectively before the date of meeting.

The Secretary may discuss with Senior Management on the agenda. The final agenda for the meeting will be approved by the Committee's Chairman or in his absence, by any one (1) of the Committee's members. The Secretary will inform/remind the relevant persons to submit their report/materials on presentation to him at least eight (8) days before the date of meeting. In the case where the subject matter/agenda item is sensitive or otherwise confidential or in a state of flux, the report/materials/paper shall be directly circulated/presented at the meeting.

The decision of the Committee shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote, provided that where two (2) members form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question in issue, the Chairman shall not have a casting vote.

Minutes of each meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and shall be accepted as prima facie evidence without further proof of the facts stated therein. Such minutes of meetings shall be kept by the secretary and distributed to each member of the Committee. The Chairman of the Committee shall report on each meeting to the Board from time to time.

A resolution in writing signed by all members of the Committee shall be deemed to have been passed at a meeting held on a date on which it was signed by the last member of the Committee.

7. Review of Committee

The Board shall review the term of office, performance and effectiveness of the Committee and each of its members annually to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

**REMUNERATION COMMITTEE (“RC”) CHARTER
(TERMS OF REFERENCE)****1. ROLE OF THE RC**

The RC is a sub-committee of the Board of Directors (“Board”), which assists the Board in determining the remuneration packages of executive directors in all its forms. Hence, it contributes towards strengthening the independence of the remuneration function, which ultimately improves corporate accountability and governance.

2. OBJECTIVES OF THE RC

- (a) To assist the Board in achieving corporate accountability and governance in respect of the remuneration for executive directors of the Company.
- (b) To serve as a “check and balance” mechanism for the Company with the objective:
 - to fairly reward the executive directors for their contributions to overall performance; and
 - that the compensation is reasonable in light of the Company’s objectives.

3. MEMBERSHIP

The RC members shall be appointed by the Board from amongst their numbers based on the recommendations of the Nominating Committee (“NC”), all of whom shall be non-executive directors in order to achieve a high degree of independence and objectivity thereby ensuring corporate accountability and governance.

The RC shall have at least three (3) members, majority of whom must be independent directors and should not be so large that efficiency is impaired.

If a member of the RC resigns, dies or for any reason ceases to be a member with the resulting number of members is reduced below three (3), the Board shall, within three (3) months of that event, appoint such number of new member as may be required to make up the minimum number of three (3) members, based on the recommendations of the NC.

Generally, members of the RC should not be any person having a relationship with the executive directors, which would interfere with the exercise of independent judgement in carrying out the function of the RC.

The appointment of a RC member terminates when the member ceases to be a director, or as determined by the Board.

The RC members shall have:

- a good knowledge of the Company and its directors, and a full understanding of shareholders’ concerns; and
- a good understanding, enhanced as necessary by appropriate training or access to professional advice, on/of areas of remuneration.

4. CHAIRMAN

The Chairman of the RC must be an independent director and shall be appointed by the Board, based on the recommendations of the NC.

5. **SECRETARY**

The Secretary of the RC shall be any one (1) of the joint company secretaries.

In the absence of the Secretary at the meeting, the RC members present at the meeting shall elect any other person as the Secretary of the meeting.

6. **MEETINGS OF THE RC**

(a) Chairman of the Meeting

The RC Chairman shall be the chairman of the meeting. In the absence of the RC Chairman, the members present shall elect one (1) of their members to chair the meeting.

(b) Meeting

The RC shall hold at least one (1) meeting a year. Additional meetings may be held as and when necessary, upon request by any RC member. Other members of the Board of Directors shall attend the meetings upon the invitation of the RC.

Notice of any meeting of the RC may be given by telephone or facsimile and the contemporaneous linking together by telephone or such other electronic communication of a number of the members being not less than the quorum shall be deemed to constitute a meeting of the RC wherever in the world they are, as long as:

- (i) the quorum of Committee is met;
- (ii) at the commencement of the meeting each member acknowledges the presence thereof to all the other members taking part and such participation shall be deemed to be present in person;
- (iii) each of the members taking part is able to hear each of them subject as hereinafter mentioned throughout the meeting;
- (iv) the members present at the commencement of the meeting do not leave the meeting by disconnecting the telephone, video conferencing or such other electronic devices, but the meeting shall be deemed to have been conducted validly notwithstanding that a member's telephone, video conferencing or such other electronic devices is unintentionally disconnected during the meeting and the proceedings thereof shall be deemed to be as valid as if the telephone, video conferencing or such other electronic devices had not been disconnected;
- (v) all information and documents are made equally available to all participants prior to or at/during the meeting; and
- (vi) minutes of the proceedings shall be sufficient evidence thereof and of the observance of all necessary formalities if signed and certified by the Chairman.

The decision of the Committee shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote, provided that where two (2) members form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question in issue, the Chairman shall not have a casting vote.

(c) Notice and Agenda

With regard to the agendas of meetings, while there is a fixed one (1) in some cases, agendas can come from a number of sources, chiefly from the RC Chairman, the Group Executive Chairman, the Finance Director (if any) and RC members.

Notice of meeting and board papers shall be given to all RC members at least fourteen (14) days and five (5) business days respectively before the date of meeting.

The Secretary shall discuss with the Senior Management on the agenda. The final agenda for the meeting will be approved by the RC's Chairman or in his absence, by any one (1) of the RC's members. The Secretary will inform/remind the relevant persons to submit their report/materials on presentation to him at least eight (8) days before the date of meeting. In the case where the subject matter/agenda item is sensitive or otherwise confidential or in a state of flux, the report/materials/paper shall be directly circulated/presented at the meeting.

(d) Quorum

The quorum of the RC meeting shall be two (2) members, of which one (1) must be an independent director. For the purpose of determining whether the quorum for the transaction of the business of the Committee exists in the case of a meeting of Committee, in addition to the members present at the meeting, any member in telephonic, video conferencing or electronic communication with such meeting shall be counted in the quorum.

(e) Minutes

Minutes of each meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and shall be accepted as prima facie evidence without further proof of the facts stated therein. Such minutes of meetings shall be kept by the secretary and distributed to each member of the Committee. The Chairman of the Committee shall report on each meeting to the Board of Directors from time to time.

A resolution in writing signed by all RC members shall be deemed to have been passed at a meeting held on a date on which it was signed by the last member.

7. AUTHORITY

The RC is authorised by the Board to recommend to the Board the remuneration of the executive directors in all its forms. The actual decision as to the level of remuneration payable will be the responsibility of the full Board after considering the recommendations of the RC. It has unrestricted access to all of the Group's executive directors' records to enable it to discharge its duties. Executive directors should not be involved in the decisions making on their own remuneration.

The determination of the remuneration packages of non-executive directors, including non-executive Chairman should be a matter for the Board as a whole. The individuals concerned should abstain from discussion of their own remuneration.

The RC may consult the Chairman of the Board (if any) regarding proposals relating to the remuneration of executive directors. The RC may request other directors and key executives to participate in the meetings, as necessary, to carry out RC's responsibilities.

The RC shall have access to such information and advice, both from within the Group and externally, as it deems necessary or appropriate in accordance with the procedures determined by the Board and at the cost of the Company. The RC is authorised by the Board to obtain external legal or other professional advice, as well as information about remuneration practices elsewhere.

The RC may, if it thinks fit, secure the attendance of external advisers with relevant experience and expertise, and shall have the discretion to decide who else other than its own members, shall attend its meetings.

The RC shall have no authority to act on behalf of the Board but shall have authority to examine all the issues at hand and to report back to the Board with recommendations. It shall be governed by its terms of reference duly approved by the Board and which may be amended from time to time by the Board.

8. DUTIES AND RESPONSIBILITIES OF THE RC

- (a) To review executive directors' remuneration packages, compensation and benefits programmes and make appropriate recommendations to the Board.
- (b) To recommend to the Board the quantum of bonuses, rewards and incentive structures for the executive directors.
- (c) To establish formal and transparent remuneration policies and procedures to attract, retain and motivate directors.
- (d) To consider other matters/functions as may be delegated by the Board from time to time.

9. REVIEW OF RC

The Nominating Committee shall review the term of office, performance and effectiveness of the RC and each of its members annually to determine whether the RC and its members have carried out their duties in accordance with RC's terms of reference.

**RISK MANAGEMENT COMMITTEE (“RMC”) CHARTER
(TERMS OF REFERENCE)****1. Constitution**

The Risk Management Committee (“the Committee”) was established on 26 May 2015. The functions and authority of the Committee extend to Weida (M) Bhd (“the Company”) and all its subsidiaries, collectively referred to as “the Group”.

2. Primary objectives

The primary objective of the Committee is to assist the Board of Directors (“the Board”) in:

- a) overseeing the Company’s risk management framework and policies and make recommendation to the Board;
- b) ensuring that management maintains a sound system of risk management and internal controls to safeguard shareholders’ interest and the Group’s assets; and
- c) determining the nature and extent of significant risks which the Board is willing to take in achieving its strategic objectives.

3. Membership

The Committee shall be appointed by the Board from amongst their members, and shall consist of not less than three (3) members including the Group Executive Chairman and the Chairman of Audit Committee, majority of whom shall be independent directors. No Alternate Director shall be appointed as a member of the Committee.

If membership of the Committee for any reason falls below three (3) members, the Board shall, within three (3) months of that event, appoint such number of new members as may be required to fulfil the minimum requirement.

4. Chairman

The Chairman of the Committee shall be the Group Executive Chairman. In the absence of the Chairman of the Committee, members present at the meeting shall elect one (1) of them to chair the meeting.

5. Secretary

The Secretary to the Committee shall be any one (1) of the Joint Company Secretaries.

In the absence of the Secretary at the meeting, the members present at the meeting shall elect any other person as the Secretary of the meeting.

6. Quorum

A quorum of a meeting of the Committee shall be two (2) members. For purpose of determining whether the quorum for the transaction of the business of the Committee exists in the case of a meeting of the Committee, in addition to the members present at the meeting, any member in telephonic, video conferencing or electronic communication with such meeting shall be counted in the quorum.

7. Meetings and Minutes

The Committee shall hold at least one (1) meeting a year. Additional meetings may be held as and when necessary, upon request by any Committee member, the Management, Internal or External Auditors. Internal Auditors or persons carrying out the internal audit function or activity and Senior Management are normally invited to attend the meetings. Other members of the Board, relevant Heads of Business Units and Heads of Departments shall attend the meetings upon the invitation of the Committee.

Notice of any meeting of the Committee may be given by telephone or facsimile and the contemporaneous linking together by telephone or such other electronic communication of a number of the members being not less than the quorum shall be deemed to constitute a meeting of the Committee wherever in the world they are, as long as:

- (a) the quorum of Committee is met;
- (b) at the commencement of the meeting each member acknowledges the presence thereof to all the other members taking part and such participation shall be deemed to be present in person;
- (c) each of the members taking part is able to hear each of them, subject as hereinafter mentioned throughout the meeting;
- (d) the members present at the commencement of the meeting do not leave the meeting by disconnecting the telephone, video conferencing or such other electronic devices, but the meeting shall be deemed to have been conducted validly notwithstanding that a member's telephone, video conferencing or such other electronic devices is unintentionally disconnected during the meeting and the proceedings thereof shall be deemed to be as valid as if the telephone, video conferencing or such other electronic devices had not been disconnected;
- (e) all information and documents are made equally available to all participants prior to or at/during the meeting; and
- (f) minutes of the proceedings shall be sufficient evidence thereof and of the observance of all necessary formalities if signed and certified by the Chairman.

Notice of meeting and board papers shall be given to all members of the Committee at least fourteen (14) days and five (5) business days respectively before the date of meeting.

The Secretary shall discuss with Senior Management on the agenda. The final agenda for the meeting will be approved by the Committee's Chairman or in his absence, by any one (1) of the Committee's members. The Secretary will inform/remind the relevant persons to submit their reports/materials/papers on presentation to him at least eight (8) days before the date of meeting. In the case where the subject matter/agenda item is sensitive or otherwise confidential or in a state of flux, the reports/materials/papers shall be directly circulated/presented at the meeting.

The decision of the Committee shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote, provided that where two (2) members form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question in issue, the Chairman shall not have a casting vote.

Minutes of each meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and shall be accepted as *prima facie* evidence without further proof of the facts stated therein. Such minutes of meetings shall be kept by the Secretary and distributed to each member of the Committee. The Chairman of the Committee shall report on each meeting to the Board from time to time.

A resolution in writing signed by all members of the Committee shall be deemed to have been passed at a meeting held on a date on which it was signed by the last member of the Committee.

8. Authority

The Committee is authorised by the Board to:

- i) have full and unrestricted access to information pertaining to the Group;
- ii) maintain close relationship with the Company's Audit Committee to minimise and/or prevent any overlapping of functions with the Audit Committee, which include the review of the adequacy and effectiveness of internal control systems, including financial, operational, compliance and information technology controls;
- iii) have the resources which it needs to perform its duties as set out in its terms of reference; and
- iv) be able to obtain external professional advice in the performance of its duties and secure the attendance of external parties with relevant experience and expertise if it considers this necessary. In the event that any member of the Committee needs to seek external professional advice in furtherance of his duties, he shall first consult with and obtain approval of the Chairman of the Committee.

Notwithstanding anything to the contrary hereinbefore stated, the Committee does not have executive powers and shall report to the Board on matters considered and its recommendations thereon, pertaining to the Group.

9. Functions and Duties

The duties of the Committee are:

- (a) reviewing the scope, effectiveness and objectivity of the Risk Management Function and ensure that the Risk Management Function has adequate infrastructure and resources, and be staffed by an appropriate number of experienced and qualified employees who are sufficiently independent to perform their duties objectively;
- (b) review the Group's Risk Management Policies and Procedures, and provide a forum to review material exposures and strategies to mitigate risks;
- (c) advise the Board on the Group's risk appetite vis-a-vis to its business strategies;
- (d) review the adequacy of the Group's overall risk assessment processes, and the ability of the Group to identify and manage new and/or emerging risks;
- (e) review the strategies and controls for current and new significant risks, including recommendations and/or guidance to Management of risk treatment;
- (f) review the strategies and controls pertaining to the transfer of insurable risks, and the adequacy of coverage of such risks, vis-a-vis the risk appetite and the risk profile of the Group;
- (g) review the strategies and processes pertaining to business continuity plans;
- (h) review specific operational segments of the Group that may be posing unusual significant risks that may have a material impact on the risk profile of the Group, and review reports on any material breaches of risk limits and the adequacy of proposed remedial actions;
- (i) report to the Board, at least annually, on:
 - the adequacy and effectiveness of the Group's Risk Management Policies and Procedures;
 - the appropriateness, adequacy and effectiveness of insurance coverage taken by the Group in respect of transferable risks; and
 - the adequacy and effectiveness of the strategies and processes pertaining to business continuity plans.

(j) review terms of reference of the Committee and recommend to the Board for approval.

10. Review of the composition of the Committee

The Nominating Committee shall review the term of office, performance and effectiveness of the Committee and each of its members annually to determine whether the Committee and its members have carried out their duties in accordance with the Committee's terms of reference.