

# MALAYSIAN PACIFIC INDUSTRIES BERHAD

## BOARD CHARTER

### 1. ROLE OF THE BOARD OF DIRECTORS (“BOARD”)

- 1.1. The Board is responsible for directing the Company and enhancing its value for shareholders in accordance with good corporate governance principles.
- 1.2. **Chairman:** The Board elects a Chairman whose primary responsibility is the efficient functioning of the Board. The Chairman shall also coordinate Board policies with the Chief Executive Officer (“CEO”)/Group Managing Director (“GMD”).
- 1.3. **CEO/GMD:** The Board appoints a CEO/GMD who is responsible for the business and day-to-day management of the Company in accordance with the strategies approved by the Board.

### 2. MAIN FUNCTIONS / TERMS OF REFERENCE (“TOR”) OF THE BOARD

The main functions or TOR of the Board are to:

- 2.1 approve, and from time to time review, the Company’s corporate mission statement and broad strategies including strategies on economic, environmental and social considerations underpinning sustainability;
- 2.2 oversee the conduct of the Company’s business to evaluate whether the business is being properly managed including ensuring the integrity of the Company’s financial and non-financial reporting;
- 2.3 identify principal risks and ensure the implementation of appropriate systems to manage these risks;
- 2.4 review and approve specific investments and divestments which the Board had determined should be referred to it, before implementation;
- 2.5 review and approve material transactions before implementation;
- 2.6 ensure that the Company has adequate management resources to achieve its objectives and to support the CEO/GMD and that a satisfactory plan for management succession is in place;
- 2.7 develop and implement an investor relations programme or shareholder communications policy for the Company;
- 2.8 review the adequacy and the integrity of the Company’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and
- 2.9 establish Nominating Committee to recommend candidates for directorships and if deemed necessary, to establish a Remuneration Committee to recommend remuneration of directors and key senior management.

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### **3. ROLE OF THE CHAIRMAN**

The Chairman is responsible to lead and coordinate the activities of the Board and has the following specific responsibilities:

- 3.1 to conduct meetings of the Board and of shareholders;
- 3.2 to schedule Board meetings in a manner that enables the Board and its Committees to perform their duties responsibly while not interfering with the flow of the Company's business;
- 3.3 to prepare, in consultation with the CEO/GMD, other directors and Committee chairmen the agendas for the Board and Committee meetings;
- 3.4 to define the quality, quantity and timeliness of the flow of information between management and the Board;
- 3.5 to ensure that issues raised, or information requested, by any director are responded to promptly and as fully as possible; and
- 3.6 to encourage discussion and allowing dissenting views to be freely expressed.

### **4. ROLE OF THE CEO/GMD**

The CEO/GMD is the senior executive of the Company and is responsible for:

- 4.1 formulating the vision for the Group and recommending policies and the strategic direction of the Group for approval by the Board;
- 4.2 providing management of the day-to-day operations of the Group; and
- 4.3 acting as the spokesman of the Company.

### **5. PROCEEDINGS OF DIRECTORS**

The proceedings of any Board, where applicable, shall be governed by the provisions of the Constitution regulating the proceedings of Directors.

### **6. BOARD COMMITTEES**

The Board is assisted by various Board Committees in the discharge of its duties. The Board Committees will deliberate and examine issues in greater detail within their respective TOR and make the necessary recommendations to the Board which retains full responsibility.