

# 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 and its subsidiaries (“Group”) 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 Group’s corporate mission statement and broad strategies including strategies on economic, environmental and social considerations underpinning sustainability;
- 2.2 Review and approve strategic initiatives including corporate business restructuring or streamlining and strategic alliances, to ensure that they support long-term value creation and take into account economic, environment and social considerations underpinning sustainability;
- 2.3 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;
- 2.4 identify principal risks and ensure the implementation of appropriate systems to manage these risks;
- 2.5 review and approve material investments and divestments;
- 2.6 review and approve material transactions before implementation;
- 2.7 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;

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- 2.8 develop and implement an investor relations programme or shareholder communications policy for the Company; and
- 2.9 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.

### **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 ensure that issues raised, or information requested, by any director are responded to promptly and as fully as possible; and
- 3.5 to encourage discussion and allow dissenting views to be freely expressed.

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

The CEO/GMD is the most 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. ROLE OF INDIVIDUAL DIRECTORS**

The role of the individual director broadly includes the following:

- 5.1 to ensure there is a proper check and balance on the Board, taking into consideration the interest of all shareholders;

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- 5.2 to improve governance standards and make significant contributions to the Company's decision making;
- 5.3 to make assessment of information, reports or statements when the interests of Management, Company and/or shareholders diverge; and
- 5.4 to keep all Board information, discussions, deliberations and decisions that are not publicly known confidential and not use information gained through the Board for own or others' benefit or advantage.

## **6. ROLE OF NON-EXECUTIVE DIRECTORS**

In addition to Clause 5 above, the role of the Non-Executive Directors includes the following:

- 6.1 Provide independent and objective (in the case of Non-Executive Directors who are Independent) views assessments and suggestions in deliberations of the Board; and
- 6.2 Constructively challenging and contributing to the development of the business strategies and direction of the Company.

## **7. RESPONSIBILITIES OF SENIOR MANAGEMENT**

The responsibilities of senior management, in general, are:

- 7.1 To develop and propose for the Board's approval, strategic plan and annual budget for the Group to ensure achievement of the objectives set by the Board;
- 7.2 To manage the operations of the Group and the Company in a proper manner and in accordance with the Board approved strategic plan within the limit of authority set by the Board;
- 7.3 To set up an appropriate and effective internal control measures and risk management framework to identify, assess, manage and monitor key risks;
- 7.4 To assist the Board in the establishment of Group and Company's policies by developing such policies for the Board's review and approval, and for Group and Company to adopt and implement the approved policies;
- 7.5 To report to the Board periodically on the performance of the Group against the approved plan and budget as well as other matters that is under the Board's purview and enable the Board to discharge its responsibilities effectively; and

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7.6 To report to the Board on matters that required their decision/approval or of significance to the Group and the Company.

## **8. 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 on matters within their respective TOR and make the necessary recommendations to the Board which retains full responsibility.

## **9. BOARD ASSESSMENT**

There is an annual Board assessment conducted on the effectiveness of the Board, Board Committees and each individual Director. The Board via the Nominating Committee shall establish a set of criteria for the assessment of all Directors.

## **10. MATTERS RESERVED & DELEGATED BY THE BOARD**

The responsibilities and procedures of the Board and the Board Committees are set out in their respective Terms of Reference.

Matters reserved for the Board's decision include the following:

- 10.1 business direction and key strategies;
- 10.2 new or changes to the Strategic Business Plans;
- 10.3 mergers and acquisitions;
- 10.4 expansion/entry into new markets and regions;
- 10.5 corporate restructuring/reorganisation;
- 10.6 set-up of new businesses including joint venture partnerships;
- 10.7 material investments/acquisitions/disposals; and
- 10.8 any other matters deemed necessary by the Board.

The Board may delegate authority on any of the above matters to the Board Committees, CEO/GMD, any management committee or any senior management as it deems fit.

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**11. DIRECTORS' EXTERNAL COMMITMENTS**

Directors shall devote sufficient time to carry out their responsibilities. All Directors are expected to commit time as and when required to discharge their duties and responsibilities, besides attending meetings of the Board and Board Committees.

Directors shall notify the Chairman of the Board before accepting any new directorships.

A Director of the Company shall not hold more than five directorships in public listed companies.

**12. REVIEW OF BOARD CHARTER**

This Board Charter is subject to periodic review by the Board or at least once annually.