

# **BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD**

[Registration No. 196101000326 (4372-M)]

## **THE BOARD OF DIRECTORS**

### **BOARD CHARTER**

#### **A. ROLE**

1. The Board of Directors (“the Board”) is responsible to the shareholders for the overall strategic direction and governance of the British American Tobacco (Malaysia) Berhad group of companies (“the Group”).
2. Besides its usual legal and statutory responsibilities, the Board is responsible for the following:
  - (a) Reviewing and adopting a strategic plan for the Group;
  - (b) Overseeing the conduct of the Group’s business to evaluate whether the business is being properly managed;
  - (c) Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
  - (d) Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management;
  - (e) Developing and implementing an investor relations programme or shareholder communications policy for the Group;
  - (f) Reviewing the adequacy and the integrity of the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
  - (g) Approving the financial statements and accounting policies of the Group;
  - (h) Declaring dividends;
  - (i) Establishing Committees including the Audit Committee, Nomination and Remuneration Committees and Risk Management Committee and determining the authorities to be delegated to Committees of the Board;
  - (j) Receiving and reviewing reports from Committees of the Board;
  - (k) Establishing and monitoring compliance with the Group’s Standards of Business Conduct and other policies of the Company;
  - (l) Establishing appropriate systems of corporate governance in the Group; and
  - (m) Considering and approving other matters specifically reserved for the attention of the Board.

## **B. COMPOSITION**

1. There should be a clear division of responsibility between the Chairman and the Managing Director to ensure that there is a balance of power and authority.
2. The Board should include a balance of Executive Directors and Non-Executive Directors. Non-Executive Directors should be persons of calibre, credibility and have the necessary skill and experience to bring an independent judgement to bear on the issues of strategy, performance and resources including key appointments and standards of conduct.
3. To be effective, the Board shall consist of at least one third (1/3) of Non-Executive Directors who shall be independent, namely independent of management and free from any business or other relationships which could interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.
4. All Directors shall retire from office at least in each three (3) years but shall be eligible for re-election.
5. Every Director shall give to the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) an undertaking to comply with the Listing Requirements of the Bursa Malaysia not later than fourteen (14) days from the date of his appointment in accordance with the Listing Requirements of the Bursa Malaysia.
6. Every Independent Director shall give to the Bursa Malaysia, a letter confirming and declaring that he is an Independent Director not later than fourteen (14) days from the date of his appointment in accordance with the Listing Requirements of the Bursa Malaysia.
7. Every Director shall also file with the Bursa Malaysia a declaration to comply with the requirements on restriction of Directorships not later than fourteen (14) days from the date of his appointment in accordance with the Listing Requirements of the Bursa Malaysia.
8. In order to facilitate any concern being conveyed to the Board, the Board shall appoint a senior Independent Non-Executive Director of the Board to whom such concerns may be conveyed.
9. The tenure of an Independent Non-Executive Director should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Non-Executive Director may continue to serve on the Board as a Non-Independent Non-Executive Director.

## **C. TRAINING FOR DIRECTORS**

1. A Director who is appointed to the Board must attend the Mandatory Accreditation Programme (“MAP”) within four (4) months from the date of his appointment if he is not already in possession of a certificate issued by the training centre accredited by Bursa Malaysia.
2. All Directors must attend continuous training programmes that are prescribed by the Bursa Malaysia and the Company from time to time.

#### **D. DIRECTORS' ACCESS TO INFORMATION AND ADVICE**

1. All Directors shall in furtherance of their duties, have access to all information within the Company or take independent professional advice at the Company's expense if necessary.
2. All Directors shall have access to the advice and services of the Company Secretary of the Company, the appointment and removal of whom is a matter for the Board.
3. In the event that any Director shall require any information to be supplied in furtherance of his duties, the officers of the Company shall ensure that such information is supplied in a timely manner and in the form and of a quality appropriate to enable the Director to discharge his duties. Such information shall include financial information and information that assist the Board in assessing performance factors such as customer satisfaction, product and service quality, market share, market reaction, environmental performance and so on when dealing with any item on the agenda.
4. In the event that any Director shall need to seek professional advice in furtherance of his duties, he shall first consult with and obtain the prior approval of the Chairman of the Company.

#### **E. MEETINGS OF THE BOARD**

1. The Board shall meet at least four (4) times per annum (broadly in accordance with the following programme):
  - Mid – February - to review and approve the annual financial statements, to declare the 4<sup>th</sup> interim dividend and to agree the agenda for the Annual General Meeting.
  - Mid - April - to review the first quarter results and declare the 1<sup>st</sup> interim dividend.
  - Late July - to review the first half results and declare the 2<sup>nd</sup> interim dividend.
  - Late October - to review the third quarter results and declare the 3<sup>rd</sup> interim dividend.
2. Special meetings of the Board shall be convened to deal with urgent matters where necessary.
3. The agenda for the Board meetings shall be set by the Managing Director in consultation with the Chairman and the Company Secretary.
4. The minutes of the meetings of the Board which include all issues discussed in arriving at the decisions and conclusions of the Board shall be recorded, prepared and circulated by the Company Secretary and the Company Secretary shall also ensure that the minutes are properly kept and produced for inspection if required.
5. A resolution in writing signed or approved by letter, facsimile, electronic means or other similar means of communication by a majority of the Directors who may be present in

Malaysia and who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that where a Director is not so present but has an alternate, who is present, then such resolution shall also be signed or approved by such alternate. All such resolutions shall be described as "Directors' Circular Resolution" and shall be forwarded or otherwise delivered to the Company Secretary without delay, and shall be recorded by him/her in the Company's Minute Book. Any such resolution may consist of several documents in the like form, each signed and approved by one (1) or more Directors or their alternate.