



## Board Charter

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### 1. Purpose of Charter

The Board Charter sets out the role, composition and responsibilities of the Board of Directors (“the Board”) of NPC Resources Berhad (Company No: 502313-P) (“the Company”).

The conduct of the Board is also governed by the Articles of Association, a copy of which is located at the Company’s registered office at Lot 9, T3, Taman Tshun Ngen, Mile 5, Jalan Labuk, 90000 Sandakan, Sabah.

### 2. Purpose of the Board

The Board has two broad purposes, compliance and performance:

#### ***Compliance: conform with or exceed all legal requirements***

##### **Legal**

- monitor Articles of Association
- comply with directors’ responsibilities
- comply with laws

##### **Accountability**

- monitor financials
- compliance audits

#### ***Performance: assist the organisation to perform to its best potential***

##### **Strategy and policy**

- approve vision/mission and ensure it is embedded into the organizations operations
- approve strategic plan and policies and monitor regularly

##### **Accountability**

- overall performance of the organization
- board evaluation and succession planning
- report outcomes to stakeholders



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### Public Relations

- represent and participate
- keep stakeholders informed
- project a strong and positive image
- promote the vision
- facilitate cohesion
- protect the interests of stakeholders
- speak with one voice regarding Board decisions

### Risk management

- ensure up-to-date and effective risk profile and management strategy
- monitor critical risks

The Board, while meeting its responsibilities, is mindful of the Company's vision and mission.

### 3. Roles and Responsibilities

The Board has delegated authority for the operations and administration of the organization to the management.

The functions of the Board are to:

- (a) Provide effective leadership and collaborate with the Executive management team in:
  - articulating the organization's values, vision, mission and strategies
  - developing strategic (direction) plans and ordering strategic priorities
  - maintaining open lines of communication and promulgating through the organization and with external stakeholders the values, vision, mission and strategies
  - developing and maintaining an organization structure to support the achievement of agreed strategic objectives
- (b) Monitor the performance of the management against agreed performance indicators
- (c) Review and agree the business (action) plans and annual budget proposed by the Executive management team
- (d) Monitor the achievement of the strategic and business plans and annual budget outcomes.
- (e) Establish committees, policies and procedures to facilitate more effective discharge of the Board's roles and responsibilities.



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- (f) Ensure, through the Board committees and others as appropriate, compliance obligations and functions are effectively discharged.
- (g) Initiate a Board self-evaluation program and follow-up action to deal with issues arising and arrange for directors to attend courses, seminars and participate in development programs as the Board judges appropriate.
- (h) Ensure that all significant systems and procedures are in place for the organization to run effectively, efficiently, and meet all legal and contractual requirements.
- (i) Ensure that all significant risks are adequately considered and accounted for by the Executive management team by way of implementation of appropriate internal controls and mitigation measures. This includes reviewing the adequacy and the integrity of management information and internal controls system.
- (j) Ensure that organization has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate and social responsibility.
- (k) Ensure that there programmes in place to provide for the orderly succession of senior management.
- (l) Overseeing the development and implementation of a shareholder communications policy for the Company.

The non-executive directors have no operational involvement in the conduct of organization's business activities and delivery of services. Their roles are confined to setting and reviewing policies.

#### 4. Membership and Term

The Board consists of four Executive Directors, three independent non-executive Directors and one non-independent non-executive Director

Membership of the Board shall be disclosed in the annual report including whether a director is independent or not independent.

Directors are required to disclose any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the organization. Such directors shall abstain from voting and deliberating on such matters.

The Board has not adopted a tenure policy, but according to the Articles of Association, all Directors who are appointed by the Board are subject to election by shareholders at the next Annual General Meeting after their appointments. The Articles also provide that at least one third of remaining Directors be subject to re-election by rotation at each Annual General Meeting and that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

The Board must justify and seek shareholders' approval in the event it retains as an independent director, a person who has served in that capacity for more than nine years.



# NPC RESOURCES BERHAD

(Bursa Stock Code: 5047)

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### 5. Reporting

Proceedings of all meetings are minuted by the Company Secretary and signed by the chairman of the meeting.

Minutes of all Board meetings are circulated to directors and approved by the Board at the subsequent meeting.

Resolutions in writing are circulated to all Board members for approval and signature and will be recorded in the minutes book once passed by all Board members.

### 6. Review of Charter

The Board will review this charter annually to ensure it remains consistent with the Board's objectives and responsibilities

### 7. Publication of the Charter

Key features of the charter are to be outlined in the Company's Annual Report. A copy of the charter is available at corporate website [www.npc.com.my](http://www.npc.com.my).