

## **BOARD CHARTER**

### **1. INTRODUCTION**

In discharging its duties, the Board of Directors of Magna Prima Berhad (“MPB”) is constantly mindful of the need to safeguard the interests of the Group’s shareholders, customers and all other stakeholders. In order to facilitate the effective discharge of its duties, Magna Prima Berhad Group (“MPB Group”) has to ensure that it manages the business and affairs of the Company in conformity with the laws and regulations of the jurisdictions in which it operates.

The Directors of MPB regard Corporate Governance as vitally important to the success of MPB’s business and are committed to apply the relevant principles to ensure that the following principles of good governance is practised in all of its business dealings in respect of its shareholders and relevant stakeholders:

- To enable the Board of Directors to provide strategic guidance and effective oversight of management
- To clarify the roles and responsibilities of Board members in order to facilitate the Board’s accountability to the Company and its shareholders.

The Board is ultimately accountable and responsible for the performance and affairs of the Company. Thus, the Board is the focus point of the Company’s Corporate Governance.

All Board members are expected to act in a professional manner, upholding the value of integrity with regard to their fiduciary duties and responsibilities.

This Board Charter shall constitute and form an integral part of each Director’s duties and responsibilities.

### **2. OBJECTIVES**

The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members.

### **3. COMPONENTS OF THE BOARD CHARTER**

The three main components of the Board Charter are:-

- The Corporate Statement;
- The Directors’ Duties; and
- The Board Committees.

#### **(i) The Corporate Statement**

Corporate Statement defines the objectives of the Company and the services offered to our customers. The Corporate Statement is a pledge of quality solutions to suit our customers’ expectations.

(ii) The Directors' Duties

The fiduciary duties imposed on the Directors as stipulated in Section 213 (1) of the Companies Act 2016 are to protect the interests of the Company and at the same time to advance the interest of its stakeholders.

(iii) Roles and Responsibilities of the Board, the Chairman, Directors and Managing Director

**Principal Responsibilities of the Board:-**

- To promote good corporate governance culture within the Group;
- To deliberate and approve Management's proposal on strategic planning for the Group;
- To identify principal risks and implementation of appropriate internal controls and mitigation measures.

**Role of the Board Chairman**

The Board Chairman presides over meetings of Directors and to ensure the Group adopts good corporate governance practices.

The Board Chairman also instills good leadership to ensure the Board functions effectively.

**Role of Individual Directors**

Directors are expected to comply with their legal and statutory obligations when they discharge their fiduciary responsibilities as Directors. This will include the following:-

- Acting in good faith and in the best interests of the Group;
- Demonstrating good stewardship and acting in a professional manner with sound mind;
- Acting with reasonable care, skill and diligence subject to the business judgement rule;
- Avoiding conflicts of interest with the Group in a personal or professional capacity;
- Exercising greater vigilance in understanding and shaping the strategic direction of the Group;
- Compliance with the Companies Act, securities legislation and the Bursa Listing Requirements;

Every director shall devote sufficient time to prepare for and attend Board and Board Committee meetings.

Every director must attend at least 50% of the Board meetings held in each financial year.

**Role of the Group Managing Director (GMD)**

The GMD assumes the overall responsibilities for the execution of the Group's strategies in line with the Board's direction and oversees the operations of the Group.

The key roles of the GMD include the following:-

- Overseeing the day-to-day business operations, implementing Board policies and strategies and making operational decisions.
- Serving as the conduit between the Board and Management in ensuring the success of the Group's governance and management functions.
- Ensuring effective relationships and communication with Management, and between the Board, shareholders and relevant stakeholders.
- Keeping the Board informed of salient aspects and issues concerning the Group's operations.

(iv) **The Board Committees**

The Board of the Company has established six Committees of the Board which operate within its own specific terms of reference. The Board Committees undertakes in-depth deliberation of the issues at hand before tabling its recommendations thereon to the Board. The six Board Committees are as follow:-

- Audit Committee ;
- Nomination Committee;
- Remuneration Committee;
- Employee Share Option Scheme (ESOS) Committee;
- Tender Committee; and
- Executive Committee (EXCO)

**Re-appointment / Re-election of Directors**

The Constitution of MPB provide that at every annual general meeting of the Company, one-third of the Directors for the time being and those appointed during the financial year shall retire from office and shall be eligible for re-election.

The Board Charter is reviewed periodically to ensure its reliability with the Board's objectives, current laws and practices.

**Code of Conduct**

The Company has formalized a code of conduct to actively promote and establish a corporate culture which promotes ethical conduct that permeates through the Group. The code of conduct serves as a road map to help guide actions and behavior while working for and / or dealing with the Company to maintain high standards of business ethics and encourage performance with integrity.

Provisions covered include relationships between staff and management.

All employees are required to read, understand, accept and abide by the terms of code of conduct.

## **Whistleblowing Policy**

The Board should establish, review and together with management implement appropriate policies and procedures on whistleblowing.

The whistleblowing function is under the purview of Audit Committee who shall ensure that all reported violations are properly investigated. The Audit Committee is also responsible for reviewing the effectiveness of the actions taken in response to all concerns raised.