



**CARING PHARMACY GROUP BERHAD**  
(Company No.1011859-D)

# **CHARTER OF MANAGEMENT BOARD**

Approved by: Board of Directors

Date: 23 July 2014

## **1. Purpose of Charter**

The Management Board Charter sets out the authority, responsibilities, membership and operation of the Board of CARING PHARMACY GROUP BERHAD (the Company), adopting principles of good corporate governance and practice, in accordance with applicable laws in Malaysia.

## **2. Role of Management Board**

The Board's role is to:

### **➤ Reviewing and adopting a strategic plan for the company**

The role of the board is to review, challenge and approve management's proposal on a strategic plan for the company. The board brings objectivity and breadth of judgment to the strategic planning process as they are not involved in day-to-day management of the business. The board should satisfy itself that management has taken into account all appropriate considerations in establishing the strategic plan for the company. The board is also responsible for monitoring the implementation of the strategic plan by management.

### **➤ Overseeing the conduct of the company's business**

A basic function of the board is to oversee the performance of management to determine whether the business is being properly managed. The board's obligation to oversee the performance of management contemplates a collegial relationship that is supportive yet vigilant. Therefore, the board must ensure that there are measures in place against which management's performance can be assessed.

### **➤ Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures**

The board must understand the principal risks of all aspects of the company's business and recognize that business decisions involve the taking of appropriate risks. This is intended to achieve a proper balance between risks incurred and potential returns to shareholders. The board must therefore ensure that there are systems in place which effectively monitor and manage these risks.

### **➤ Succession planning**

The board should ensure that all candidates appointed to senior management positions are of sufficient caliber. The board should also be satisfied that there are programmes in place to provide for the orderly succession of senior management.

### **➤ Overseeing the development and implementation of a shareholder communications policy for the company**

The responsibility of the board is to ensure that the company has in place a policy to enable effective communication with its shareholders and other stakeholders. This policy should include how feedback received from its stakeholders is considered by the company when making business decisions.

➤ **Reviewing the adequacy and the integrity of the management information and internal controls system of the company**

The board has to ensure that there is a sound framework of reporting on internal controls and regulatory compliance.

### **3. Management Board responsibilities**

Responsibilities/functions of the Management Board include:

- input into and final approval of management development of corporate strategy, including setting performance objectives and approving operating budgets;
- monitoring corporate performance and implementation of strategy and policy;
- approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting with the guidance of the Audit Committee;
- reviewing, ratifying and monitoring systems of risk management and internal control and ethical and legal compliance under the guidance of the Audit Committee. This includes reviewing procedures to identify the main risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;
- selecting, appointing and evaluating from time to time the performance of, and planning succession of the Managing Director under the guidance of the Nominating Committee;
- reviewing procedures for appointment of senior management (namely the Finance Manager, the Operations Manager, the Engineering Manager and the Human Resource Manager);
- ensuring that succession planning of the senior management is in place;
- reviewing and approving remuneration of the Managing Director and the non-executive Directors under the guidance of the Remuneration Committee;
- monitoring Board composition, processes and performance with the guidance of the Nominating Committee and monitoring and reviewing policies, processes relating to occupational health and safety, compliance with laws, and the maintenance of high ethical standards; and
- Performing such other functions as are prescribed by law or are assigned to the Board.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, a Director, employee or other person subject to ultimate responsibility of the directors under the Companies Act, 1965.

#### **4. Review**

This Charter is to be reviewed by the Board as required.