



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

CHARTER OF BOARD

Approved by: Board of Directors

Date: 23 July 2014

1. Purpose of Charter

The 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. Authority

The Board derives its authority to act from the Memorandum and Articles of Association of the Company and the law and regulations governing companies in Malaysia.

3. Role of Board

The Board's role is to: represent and serve the interests of shareholders by overseeing and evaluating the Company's strategies, policies and performance; monitor the Company's performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Memorandum and Articles of Association and within a framework of prudent and effective controls that enable risk to be assessed and managed; set, review and ensure compliance with the Company's values; and ensure shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

4. Delegation to committees

The Board may from time to time establish committees as it considers necessary or appropriate to assist it in carrying out its responsibilities. The Board shall, as a minimum, establish the following committees and shall adopt charters setting out matters relevant to the authority, responsibilities, membership and operation of those committees:

Audit Committee
Nominating Committee
Remuneration Committee

The Board may also delegate specific functions to ad hoc committees as and when required. The powers delegated to these committees are set out in the Terms of Reference of each of the Committees as approved by the Board.

5. Relationship with management

- a. Directors may delegate their powers as they consider it appropriate through appropriate manual of delegations or manual of authorities. However, ultimate responsibility for strategy and control rests with the Directors as guided by the Managing Director.
- b. The Board will be supplied by Management with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate.
- c. All directors will be provided with advance notice of Board meetings, even those called at short notice.

- d. Any abstention, due to any reason whatsoever including but not limited to conflict of interest, must be indicated to the Chairman at the time the matter is being considered and recorded in the Minutes.
- e. The Management may be invited from time to time to Board meetings, as the Directors deem necessary.
- f. The management function is conducted by, or under the supervision of, the Managing Director as directed by the Board and by other officers to whom management function is properly delegated by the Managing Director.

6. Matters which are specifically reserved for the Board or its committees include the following:

- Appointment of the Chairman.
- Appointment of directors to fill a vacancy or as additional directors.
- Establishment of Board committees, their membership and delegated authorities.
- Approval of interim dividend and recommendation of final dividend for shareholders' approval.
- Review of corporate governance principles and policies.
- Approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management.
- Review of whistle blowing reports
- Any other specific matters nominated by the Board from time to time.

7. Structure

The Company's Memorandum & Articles of Association governs the regulations and proceedings of the Board. The Board, together with the Nominating Committee, determines the size and composition of the Board subject to the terms of the Company's Memorandum & Articles of Association.

7.1 Board composition

- The Board should comprise a minimum of one third of independent non-executive directors and comprise directors with a broad range of skills, diversity, expertise and experience from range of backgrounds.
- The Chairman is appointed from amongst the Directors as approved by the Board.
- The majority shareholder may nominate the Chair.
- The Board regularly reviews the independence of each non-executive director in light of information relevant to this assessment as disclosed by each non-executive director to the Board.
- A director is considered to be independent for the purposes of service on the Board and Board committees if the director satisfies the standards adopted by the

Board from time to time to assist it in its regular 'independence' determinations.

- The Board only considers directors to be independent where they are independent of management and free from any business or other relationship that could materially interfere with — or could reasonably be perceived to interfere with — the exercise of their unfettered and independent judgement.

7.1 Election and re-election

The Company complies with the regulations and the laws governing the election and re-election of directors in addition to the provisions of its Memorandum & Articles of Association.

Upon election directors are provided with formal letters setting out the key terms and conditions of that appointment.

8. Review

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