

Cancer Research Malaysia
BOARD CHARTER

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BBB Holdings Berhad
Board Charter

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1. Introduction

- 1.1 The Board of Trustees ('the Board') derives its authority from and is accountable to the members of Cancer Research Malaysia ('the Foundation') for achieving the purposes set forth in the Memorandum and Articles of Association. On behalf of the members, the Board has total authority over and total accountability for the Foundation. As a non-profit research organization under subsection 44(6) of the Income Tax Act 1967, the Foundation exists to benefit society through achievement of its objectives.
- 1.2 The Board is ultimately accountable and responsible for the performance and affairs of the Foundation.
- 1.3 The objectives of this Board Charter are to ensure that all Trustees acting on behalf of the Foundation are aware of:
- i) their duties and responsibilities as Trustees;
 - ii) the various legislations and regulations affecting their conduct; and
 - iii) the principles and practices of good Corporate Governance that should be applied in all their dealings in respect, and on behalf of, the Foundation

2. Board Governance Roles

2.1 Board Composition

- 2.1.1 The number of members of the Board shall not be less than two (2) or more than ten (10).
- 2.1.2 At any one time, no less than 50% of the Board of Trustees shall comprise independent persons.
- 2.1.3 The Trustees should have wide ranging experience, skill and knowledge that add value to the Foundation. The Board shall consider recommendations by the Nomination Committee pertaining to nominees for membership on the Board.

2.2 Role of the Board

- 2.2.1 The Board has a duty to act in the best interest of the Foundation. The Board assumes the following duties, having regard to the interests of all stakeholders of the Foundation:
- i) **Determine vision and mission statements**
The Board shall be responsible for setting and safeguarding statements setting out the vision, mission and values of the Foundation. The Board shall ensure that these statements are developed in consultation with all

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relevant stakeholders and that they accurately reflect the object in the Foundation's governing document.

ii) **Approve and monitor strategy**

The Board shall review and approve both short term and long term strategies of the Foundation. This encompasses the annual financial budgets and targets, new investments/ divestments as well as fundraising plans and projects. The Board shall ensure that regular reports are received on the Foundation's current financial position and its future sustainability.

iii) **Oversee conduct of the Foundation**

The Board shall oversee conduct of the Foundation to ascertain its proper management including setting clear objectives and policies within which members of Management are to operate.

iv) **Oversee risk management, governance and internal controls**

The Board shall oversee the effective design and implementation of the Foundation's governance and reporting systems as well as internal controls for compliance with applicable laws, rules, regulations, directives and guidelines. The Board shall periodically review whether these remain appropriate in light of material changes to the nature, scale and complexity of the Foundation's structure and operations.

v) **Promote a strong culture of professionalism, values and ethics**

The Board shall be accountable for the well-being of the Foundation. The Board, together with the key Management members, shall promote a sound corporate culture that reinforces ethical, prudent and professional behaviour. The Board shall set the Foundation's values and standards and ensure that its obligations to its stakeholders are understood and met.

vi) **Oversee appointment and performance of the Board and key Management members**

The Board shall be responsible for appointing, evaluating and planning for the succession of Trustees. The Board shall also follow proper and formal arrangements for key Management members' appointment, supervision, support, appraisal and remuneration.

vii) **Ensure adequate financial resources for the Foundation**

The Board shall oversee the solvency and financial strength of the Foundation. The Board shall ensure that policies are in place to safeguard the Foundation's assets and shall use them only in furtherance of its purposes.

viii) **Oversee communications with stakeholders**

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The Board shall act as ambassadors for the Foundation and be prepared to express the position of the Foundation to the appropriate public officials. The Board shall establish and maintain an effective interrelationship with stakeholders to ensure understanding of their needs and taking them into account when planning services and activities.

- 2.2.2 The Board shall adopt a formal Schedule of Matters Reserved that sets out decision making powers reserved for the Board.

2.3 Role of Chairman and Chief Executive

The Foundation aims to ensure a balance of power and authority between the Chairman and the Chief Executive with a clear vision of responsibility between the running of the Board and the Foundation's operations respectively. The positions of Chairman and Chief Executive are separated and clearly defined.

Role of the Chairman

- 2.3.1 The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role. The Chairman is responsible for:

- i) leading the Board in setting the values and standards of the Foundation;
- ii) maintaining a relationship of trust with all Trustees; and
- iii) ensuring the provision of accurate, timely and clear information to the Trustees.

- 2.3.2 The Chairman is responsible for managing the business of the Board to ensure that:

- i) all Trustees are promptly briefed on issues arising at Board meetings;
- ii) sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion; and
- iii) the issues discussed are forward looking and concentrates on strategy.

Role of the Chief Executive Officer ('CEO')

- 2.3.3 The CEO is the conduit between the Board and Management in ensuring the success of the Foundation's governance and management functions.

- 2.3.4 The CEO shall be appointed by the Board.

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2.3.5 The CEO has the executive responsibility for the day-to-day operations of the Foundation.

2.3.6 The CEO implements the policies, strategies and decisions adopted by the Board.

2.4 Role of Individual Trustees

2.4.1 Trustees are expected to demonstrate at all times that they:

- i) act in good faith in the best interest of the Foundation;
- ii) act within the legal and regulatory frameworks that apply to each Trustee and the Foundation;
- iii) exercise reasonable care, skill and diligence with:
 - a. the knowledge, skill and experience which may reasonably be expected of a Trustee having the same responsibilities; and
 - b. any additional knowledge, skill and experience which the Trustee has;
- iv) only exercise powers conferred on them for the purposes for which such powers are conferred;
- v) provide sound and independent judgement, experience and objectivity without being subordinated to operational considerations; and
- vi) devote sufficient time to prepare for and attend Board meetings, and maintain a sound understanding of the operations of the Foundation.

2.4.2 Independent Trustees shall provide independent and objective judgement, experience and objectivity without being subordinated to operational considerations.

2.5 Role of the Company Secretary

2.5.1 The Board shall, by resolution, appoint the Company Secretary who reports directly to the Board. The Company Secretary shall attend Board and Board Committees meetings and is responsible for the accuracy and adequacy of records of the proceedings of Board and Board Committees meetings.

2.6 Role of Board Committees

2.6.1 The Board may from time to time establish Committees to assist it in carrying out its responsibilities and shall adopt Terms of References setting out

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matters relevant to the composition, responsibilities and administration of such Committees, and other matters that the Board may consider appropriate.

2.6.2 The Board has established the following Board Committees:

- i) Nomination Committee
- ii) Audit and Finance Committee

The criteria for the membership are based on a Trustee's skills and experience, as well as his ability to add value to the Board Committee.

2.6.3 The role of the respective Board Committees are as summarised below:

i) **Nomination Committee ("NC")**

The Nomination Committee is primarily responsible for:

- Regularly reviewing the board structure, size and composition, as well as recommending to the Board any changes that are deemed necessary;
- Recommending the appointment of Trustees to the Board and Board Committees as well as annually reviewing the mix of skills, experience and competencies that Trustees should bring to the Board;
- Recommending the appointments of the ~~key—Management members~~Chief Executive and Company Secretary to the Board;
- Ensuring newly appointed Trustees are fully briefed on the terms of their appointment, duties, and responsibilities to the Foundation; and
- Reviewing each Trustee's training and development needs, and ensuring that the Trustees have access to appropriate continuing education programmes that are relevant to their role and duties.

ii) **Audit and Finance Committee ("AFC")**

The Audit and Finance Committee is responsible for the oversight and monitoring of:

- The Foundation's annual budget, financial reporting, accounting policies and controls;
- The Foundation's fundraising strategy, plan and projects;

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- The availability of funds to sustain the Foundation's operations and research initiatives; and
- The appointment, scope of work and evaluation of the external auditor.

3. Board Conduct

3.1 Code of Ethics and Conduct

- 3.1.1 The Board commits itself and its Trustees to ethical, business-like, and lawful conduct, including proper use of authority and appropriate decorum when acting as Trustees.

4. Board Administration

4.1 Trustee Selection, Appointment and Retirement

- 4.1.1 The appointment of a new Trustee is a matter for consideration and decision by the full Board.
- 4.1.2 No person shall be appointed as Trustee of the Foundation unless his appointment has been approved by the Minister of Domestic Trade, Co-operatives and Consumerism.
- 4.1.3 No Trustee shall hold office for longer than two consecutive terms without being re-elected.
- 4.1.4 Nominee Trustees are required to retire from the Board if requested to do so in writing by their nominator.

4.2 Trustee's Access to Information

- 4.2.1 The Foundation's Management shall provide all Trustees with timely and quality information and in a form and manner appropriate for them to discharge their duties effectively.
- 4.2.2 Full minutes of each Board meeting shall be kept by the Company Secretary and made available for inspection by any Trustee during office hours.

4.3 Reimbursement of Trustees' Expenses

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4.3.1 There shall be no remuneration or other benefits in money given by the Foundation to any member of the Board, with the exception of the following:

- i) Out-of-pocket expenses;
- ii) Interest at the current bank rate on money loaned;
- iii) Repayment in respect of professional services; and
- iv) Reasonable and proper rent for premises transferred by lease or let by any Trustee to the Foundation.

5. Board Meetings

5.1 Frequency and Attendance

5.1.1 The Board at least meet quarterly in a financial year or at such other interval as required, to facilitate the discharge of their responsibilities.

5.1.2 There shall be in attendance at Board meetings by invitation the CEO and members of Management, and such other persons as deemed necessary by the Board.

5.1.3 Trustees are expected to attend at least 75% of total Board meetings in any applicable financial year, with appropriate leave of absence duly communicated to the Chairman of the Board and/ or Company Secretary, where applicable.

5.2 Meeting Agenda and Board Papers

5.2.1 The Chairman, in consultation with the CEO, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda.

5.2.2 The agenda and Board papers shall be circulated to the Trustees at least seven (7) calendar days before each meeting.

5.3 Quorum

5.3.1 The quorum for Board meetings shall be a minimum of four (4) members of the Board.

5.3.2 In the absence of the Chairman, the members present shall elect a Chairman from amongst them to chair the meeting.

5.4 Meeting Mode

5.4.1 A meeting shall be conducted in person or via alternative means of attendance (i.e. telephone conference or video conference) as determined by the Board to enable effective discussion.

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- 5.4.2 The Board may from time to time and if deemed appropriate, consider and approve and/ or recommend relevant matters via a circular resolution in writing, in lieu of formally convening a meeting. The circular resolution shall be signed by all Trustees, and shall be as valid and effectual as if it has been passed by a meeting of the Board duly convened.

5.5 Voting

- 5.5.1 All resolutions of the Board shall be adopted by a simple majority vote, each member having one vote. In case of equality of votes, the Chairman of the meeting shall have a second or casting vote.
- 5.5.2 Any Trustee may in writing appoint any person, who is approved by the majority of the members of the Board to be his alternate to act in his place at any Board meeting at which he is unable to be present. Every such alternate shall be entitled to vote thereat as a Trustee. If the alternate is also a Trustee, then he will have a separate vote on behalf of the Trustee that he is representing, in addition to his own vote.
- 5.5.2 A Trustee is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.