

THE BOARD OF DIRECTORS BOARD CHARTER

A. ROLE

1. The Board of Directors (“Board”) is responsible to the shareholders for the overall strategic direction and governance of the Group.
2. Besides its usual legal and statutory responsibilities, the Board is responsible for the following:
 - (a) Reviewing and adopting a strategic plan for the Group;
 - (b) Overseeing the conduct of the Group’s business to evaluate whether the business is being properly managed;
 - (c) Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
 - (d) Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing members of the Board and Leadership Team;
 - (e) Developing and implementing an investor relations programme or shareholder communications policy for the Group;
 - (f) Reviewing the adequacy and the integrity of the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
 - (g) Approving the financial statements and accounting policies of the Group;
 - (h) Determining and declaring dividends;
 - (i) Establishing committees including the Audit Committee, Nomination and Remuneration Committees, Risk Management Committee and Sustainability Committee (collectively referred to as the “Committees”) and determining the authorities of the Board to be delegated to the Committees;
 - (j) Receiving and reviewing reports from the Committees;
 - (k) Establishing and monitoring compliance with the Group’s Standards of Business Conduct and other policies of the Group;
 - (l) Establishing appropriate systems of corporate governance of the Group;
 - (m) Reviewing and approving the Board’s statement of compliance with the MCCG for inclusion in BAT Malaysia’s annual report; and
 - (n) Considering and approving other matters specifically reserved for the attention of the Board.

B. COMPOSITION

1. There should be a clear division of responsibility between the Chairman and the Managing Director to ensure that there is a balance of power and authority.
2. The Board should include a balance of Executive Directors and Non-Executive Directors. Non-Executive Directors should be persons of calibre, credibility and have the necessary skill and experience to bring an independent judgement to bear on the issues of strategy, performance and resources including key appointments and standards of conduct.
3. To be effective, the Board shall consist of at least one third (1/3) of Non-Executive Directors who shall be independent, namely independent of management and free from any business or other relationships which could interfere with the exercise of their independent judgement or the ability to act in the best interests of BAT Malaysia.
4. All Directors shall retire from office at least in each three (3) years but shall be eligible for re-election.
5. Every Director shall give to Bursa Malaysia Securities Berhad (“Bursa Malaysia”) an undertaking to comply with the Listing Requirements of the Bursa Malaysia not later than fourteen (14) days from the date of his appointment in accordance with the Listing Requirements of the Bursa Malaysia.
6. Every Independent Director shall give to Bursa Malaysia, a letter confirming and declaring that he is an Independent Director not later than fourteen (14) days from the date of his appointment in accordance with the Listing Requirements of the Bursa Malaysia.
7. Every Director shall also file with Bursa Malaysia a declaration to comply with the requirements on restriction of Directorships not later than fourteen (14) days from the date of his appointment in accordance with the Listing Requirements of the Bursa Malaysia.
8. In order to facilitate any concern being conveyed to the Board, the Board shall appoint a senior Independent Non-Executive Director of the Board to whom such concerns may be conveyed.
9. The tenure of an Independent Non-Executive Director shall be limited to term limit of nine (9) years without extension.

C. TRAINING FOR DIRECTORS

1. All Directors must attend continuous training programmes that are prescribed by Bursa Malaysia and BAT Malaysia from time to time.

D. DIRECTORS' ACCESS TO INFORMATION AND ADVICE

1. All Directors and its Committees shall in furtherance of their duties, have access to all information within BAT Malaysia including obtaining advice from any internal stakeholder or independent professional at BAT Malaysia's expense if necessary.
2. All Directors shall have access to the advice, services and guidance of the Company Secretary of BAT Malaysia, the appointment and removal of whom is a matter for the Board.
3. In the event that any Director shall require any information to be supplied in furtherance of his/her duties, the officers of BAT Malaysia shall ensure that such information is supplied in a timely manner and in the form and of a quality appropriate to enable the Director to discharge his/her duties. Such information shall include financial information and information that assist the Board in assessing performance factors such as customer satisfaction, product and service quality, market share, market reaction, environmental performance and so on when dealing with any item on the agenda.
4. In the event that any Director or the Board shall need to seek independent professional advice in furtherance of his/her/its duties, they shall first consult with and obtain the prior approval of the Chairman of the Board.

E. MEETINGS OF THE BOARD

1. The Board shall meet at least four (4) times per annum (broadly in accordance with the following programme):
 - Mid - February - to review and approve the annual financial statements, to declare the 4th interim dividend and to agree the agenda for the Annual General Meeting.
 - Late - May - to review the first quarter results and declare the 1st interim dividend.
 - Late July - to review the first half results and declare the 2nd interim dividend.
 - Late October - to review the third quarter results and declare the 3rd interim dividend.
2. Special meetings of the Board shall be convened to deal with urgent matters where necessary.
3. The agenda for the Board meetings shall be set by the Managing Director in consultation with the Chairman and the Company Secretary.
4. The minutes of the meetings of the Board which include all issues discussed in arriving at the decisions and conclusions of the Board shall be recorded, prepared and circulated by the Company Secretary and the Company Secretary shall also ensure that the minutes are properly kept and produced for inspection (if required).

5. The Non-Executive Directors shall meet twice a year and the meeting will be minuted as a record.
6. A resolution in writing signed or approved by letter, facsimile, electronic means or other similar means of communication by a majority of the Directors who may be present in Malaysia and who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that where a Director is not so present but has an alternate, who is present, then such resolution shall also be signed or approved by such alternate. All such resolutions shall be described as “Directors’ Circular Resolution” and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by him/her in BAT Malaysia’s Minute Book. Any such resolution may consist of several documents in the like form, each signed and approved by one (1) or more Directors or their alternate.

F. DIRECTORS’ FIT AND PROPER ASSESSMENT

1. All Directors of BAT Malaysia are required to have the necessary qualities, competencies and experience that allows them to perform their duties and carry out the responsibilities required of the position in the most effective manner.
2. In assessing any person identified to be appointed as a Director or to continue holding the position as a Director within BAT Malaysia, the Board shall conduct a fit and proper assessment prior to the initial appointment or proposed re-election/re-appointment as a Director. The fit and proper assessment of a Director may also be conducted whenever BAT Malaysia becomes aware of information that may materially compromise a Directors’ fitness and propriety.
3. The Board through the Nomination and Remuneration Committee, in conducting the above fit and proper assessment, shall be guided by the Directors’ Fit and Proper Policy as described in Appendix 1 below.