

## 1. Introduction

This Charter sets out the roles and responsibilities of the Board and to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities. The Board will periodically review this Board Charter and the Terms of Reference of Board Committee to ensure they remain consistent with the Board's objectives and responsibilities, and relevant laws, regulations, guidelines and standards of corporate governance.

## 2. Board Size and Composition

The Board currently has 7 members, comprising of

- i) Three (3) Executive Non-Independent Directors;
- ii) Two (2) Non-executive non-independent Directors; and
- iii) Two (2) Non-executive Independent Directors

The Company is in compliance with the LR of Bursa Malaysia which require at least two directors or one-third (1/3) of its board (whichever is the higher) are Independent Directors.

The Board has appointed Encik Johari Low Bin Abdullah as the Senior Independent Director to whom shareholders' concern can be conveyed if there are reasons that contact through the normal channels have failed to resolve them.

The position of Chairman of the Board and Executive Director are held by different individuals, the Chairman is a non-executive independent director.

## 3. Board Responsibilities

The Board's responsibilities are as follow:

- i) Accountability to the shareholders  
Understand and consider the interests of shareholders and relevant stakeholders for the business directions and crucial decision making relating to the Group. The Board is also responsible to ensure that the communications both to and from the shareholders and relevant stakeholders are effective;
- ii) Set Strategy Goals  
Determine and review the overall strategic goals, determines strategic director and significant policies. The Board review and evaluate the present and future opportunities, threats and risk in the external environment, evaluate the strengths and weaknesses of the company structure and the principal risks relating to the Group;
- iii) Oversee the Risk Management & Internal Control function of the Group
  - To review the adequacy and the integrity of the Group's internal control systems to ensure that all levels within the Group comply with the applicable laws, regulations, guidelines and requirements.
  - Responsible for the Group's risk management and internal control systems.
  - Set strategic objectives.

- Review the effectiveness of the Group risk management and internal control systems.
  - Oversee the nature and extent of risk exposure for the Group major risks
  - Provide direction on the importance of risk management and risk management culture.
- iv) Ensure good corporate governance practice and incorporate it as the Group and Company's culture and oversees the business conduct and code of ethics of the Group and Company.
- v) Responsible for corporate sustainability; and
- vi) Oversees succession plans.

#### 4. Position Description

##### 4.1 Chairman

- Provide leadership to ensure the smooth functioning of the Board;
- Ensure positive culture and good corporate governance practices are inculcated in the Board, Group and Company;
- Establishes the Board agenda and ensuring timely and necessary information is provided to the Board members;
- Leading the Board meetings to ensure appropriate discussion takes place; and
- Liaises with the CEO and regularly reviews with the CEO on progress on important initiatives and significant issues facing by the Company and the Group.

##### 4.2 Executive Director

- Developing, reviewing and implementing strategic direction for the Group.
- Involved in the day-to-day operations of the Group.
- Making and implementing operational and corporate decisions.
- Monitor the operations and practices of the Group's business to ensure that the businesses and assets are properly managed.
- Manage all investment and business risks and exposures jointly with the Group's senior management and managers.
- Reviewing the adequacy and the integrity of the Group's internal control systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

##### 4.3 Independent Non-Executive Director

- Provide and enhance the necessary independent judgment and objectivity to the Board;
- Ensure effective checks and balances on the Board;
- Ensure that adequate systems and controls to safeguard the interest of the Company are in place; and
- Ensure that interest of the shareholders is taken into account by Board in its decision-making.

##### 4.4 Non-Independent Non-Executive Director

- Constructively challenge and contribute to the development of business strategy and direction of the Company; and
- Provide checks and balances, focusing on shareholders' interest and ensure high standards of corporate governance are applied.

## 5. Chief Executive Officer (“CEO”)

The CEO is appointed by the Board and is responsible for the ongoing management of the Company in accordance with the strategy, policies and programs approved by the Board. The CEO’s responsibilities include:

- Developing with the Board, a consensus for the Company’s vision and strategic direction;
- Providing strong leadership and effective management of the Company;
- Carrying out the day-to-day management and making day-to-day operational decisions for the Group and the Company;
- Keeping the Board informed, at an appropriate level of all the projects, investment proposals and activities of the Group and the Company;
- Negotiating the terms and conditions of appointment of managers, senior executives and presenting those terms and conditions to the Board for approvals;
- Encouraging co-operation and teamwork and maintaining staff morale at a high level; and
- Ensuring that all personnel act with the highest degree of ethics and comply with the Company’s code of conduct.

## 6. Meeting

Subject to the Company’s Articles of Association (Constitution), the Company Act, 2016, Listing Requirements and relevant laws and guidelines, the following should be observed by the Board:

- i) The Board shall meet on a quarterly basis or whenever deemed necessary;
- ii) Individuals Directors must attend at least 50% of the Board meetings held in each of the financial year;
- iii) The quorum of the meeting shall be met pursuant to the Constitution of the Company;
- iv) The Board is allowed to carry out resolution by way of circulation;
- v) The Key Management personnel and where necessary the external professional or consultants may be invited to attend the Board meetings;
- vi) The Company Secretary shall be appointed as Secretary of the Board meeting and minutes of meetings shall be taken and documented; and
- vii) Meeting materials should be supplied to the Directors at least five (5) days, or a shorter period, prior to the meeting.

## 7. The Company Secretary

The Company Secretary must be competent and qualified to act as Company Secretary pursuant to the requirements of the Company Act, 2016. The Company Secretary :-

- i) Plays an advisory role on corporate disclosure, ensures Board procedures, applicable governance practices, company laws, securities regulations and listing requirements are complied with, and assists the Board in applying the MCCG Practices to meet the Board needs;
- ii) Provides effective support to the Board and Board Committees to facilitate their discussion and proceedings of the Board and Board Committees meetings and deliberations are well documented in minutes;
- iii) Ensures proper processes and proceedings are in place in general meeting and annual general meeting;
- iv) Facilitates the re-election and re-appointment of Directors by ensuring that the necessary information are properly complied to east the Nomination Committee and Board’s review; and
- v) Facilitate shareholders’ communication and engagement on corporate governance issues.

## 8. CEO Assurances

It is the responsibility of both the CEO (or equivalent) and the CFO (or equivalent) to provide assurances to the Board that the Group's risk management and internal control system is operating adequately and effectively in all material respects.

## 9. Board Committees

Board Committees are established to ensure that specific issues are discussed in depth by the Directors with the appropriate and relevant knowledge and insight.

The relevant Board Committees and respective functions established are as follows:-

- i) Audit Committee
  - To provide independent oversight of the Group and Company's financial reporting and risk management and internal control framework and ensure checks and balances within the Group and Company, and to ensure financial statements comply with applicable financial reporting standards;
  - To oversee and appraise the quality of the audits conducted by the Group's internal and external auditors; and
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  - To review and assess the suitability, objectivity and independence of the External Auditors.
- ii) Investment Committee

To assist the Board in assessing and approving all significant investment propositions which include capital budget, investment transactions and proposals on new investment capital.
- iii) Nomination Committee
  - To provide a formal and transparent procedures on recruitment exercise on Director's appointment and election;
  - To perform an annual assessment of effectiveness of the Board Committees and the Board as a whole, and the performance of individual Directors and Key Senior Management;
  - To review the training needs for the Directors;
  - To review the succession plan; and
  - To recommend to the Board, candidates for re-election and re-appointment of directors by shareholders at the AGM under the annual re-election provisions or retirement.
- iv) Remuneration Committee

To recommend to the Board the remuneration packages for the Directors and Senior Management.
- v) Risk Management Committee

To identify, evaluate and manage the all potential risks and exposures faced by the Group and to minimize the risks exposures to minimize surprises and ensure shareholders' values are protected.

## 10. Board Procedures

- i) The conduct of Directors will be consistent with their duties and responsibilities. The Board will always act within any limitations imposed by the Company's Articles of Association (Constitution), provisions of the Company Act, 2016, relevant law and guidelines on its activities;
- ii) Directors will use their best endeavours to attend Board meetings, Directors who are not able to attend a meeting will advise the Chairman/CEO at an earlier date as possible;
- iii) All discussions and their records will remain confidential unless the disclosure is required by law. Subject to legal and regulatory requirements, the Board will decide the manner and timing of the publications of its decisions;
- iv) Directors are expected to strictly observe confidentiality of the Group and Company's information; and
- v) Directors are required to inform the Board of potential conflict of interest that may have in relation to particular items of business or transaction, Subject to provisions of relevant laws and guidelines, these Directors shall abstain from deliberation and determination of those matters.

#### **11. Authority**

- i) Have the resources required to performs its duties;
- ii) Have complete, adequate and timely information prior to Board meetings;
- iii) Have the authority to delegate any of its responsibilities to any person or Committee if deemed fit;
- iv) Have direct communication channels with employees, senior management personnel and relevant external parties;
- v) Have full access to the professional advice and services of the Company Secretary; and
- vi) Be able to obtain independent professional or other advice.

#### **12. Directors' Training and Continuing Education**

The Board encourages its directors to attend professional forum, symposiums, workshops, seminars and conferences to update and enhance their skills, network and knowledge to keep abreast with the changing business developments relevant to the industry. All Directors must attend at least one training course during the financial year.

#### **13. Shareholders' Communication**

- i) Press release and announcements for public dissemination are made as and when there are significant corporate events;
- ii) To make timely release of its quarterly and annual financial results in its website or Bursa's website;
- iii) Company's information could be assessed from Company's website at [www.malpac.com.my](http://www.malpac.com.my) or Bursa's website at [www.bursamalaysia.com](http://www.bursamalaysia.com);
- iv) Company's AGM serves as a principal forum for dialogue and interaction with shareholders;
- v) Shareholders are encouraged to participate in a question and answer session at its AGM; and
- vi) The Chairman or the CEO will facilitate the discussion with the shareholders at its AGM and provide further information in response to shareholders' queries.

#### **14. Conducting of General Meetings**

General Meeting and Annual Meeting (AGM) are one of the principal forums for dialogue with shareholders.

The Board should ensure the following: -

- i) General Meeting should be conducted in accordance with the Company's Articles of Association (Constitution), Companies Act, 2016, Listing Requirements and good governance practices;
- ii) Notice for a AGM should be given to the shareholders at least twenty (28) days prior to the meeting;
- iii) Ensures full information or further explanation is disclosed in the Notice of meeting to facilitate full understanding and to enable informed decision by the shareholders;
- iv) Provide opportunities for shareholders to raise question pertaining to the business activities of the Group through a Question and Answer session before the resolutions are put for voting;
- v) All Directors are available to provide responses to questions from the shareholders during the meetings; and
- vi) All resolutions set out in the notice of the AGM are to be voted by e-poll.

## **15 Enforcement of the Board Charter**

The Board Charter has been adopted by the Board on 25 June 2020.