

MALPAC BOARD CHARTER

1. Introduction

This Charter sets out the principles for the operation of the Board and the duties and responsibilities of the Board and management of Malpac Holdings Berhad (MHB).

2. Objectives

This Board Charter acts as the primary guidelines to provide insights to the Board members and senior management to assess their own performance and conduct.

3. The Board Composition

The Board currently has 7 members, comprising of

- i) 2 Executive Non-Independent Directors,
- ii) 3 Non-executive non-independent Directors
- iii) 2 Non-executive Independent Directors

The Company is in compliance with the LR of Bursa Malaysia which require 1/3 of total number of directors to be Independent Directors.

4. Board Responsibilities

In general, the Board is responsible for determining all matters relating to the strategic direction, policies and business practices of Malpac Holdings Berhad. The Board is also responsible for setting goals for management and ensuring the businesses and assets are managed successfully in a manner consistent with the agreed strategic intent.

The Board shall also be responsible for the overall corporate governance of Malpac Holdings Berhad and therefore it is the Board's responsibility to ensure that the Group complies with its contractual, statutory and any other legal or regulatory obligations. The respective allocation of responsibilities of the Chairman, Executive Directors, Directors and CEO are as set out below.

4.1 Role of the Chairman

- i) Chairs Board meetings.
- ii) Establishes the agenda for Board meetings in consultation with the CEO
- iii) Ensures Board minutes properly reflect Board decisions.
- iv) Chairs general meetings of shareholders.
- v) Liaises with the CEO and regularly reviews with the CEO on progress on important initiatives and significant issues facing Malpac Holdings Berhad.
- vi) Commences the annual process of Board and Director evaluation.

4.2 Role of Executive Directors

- i) Developing, reviewing and implementing strategic direction for the Group.
- ii) Involved in the day-to-day management of the Group.
- iii) Making and implementing operational and corporate decisions.
- iv) Monitor the operations and practices of the Group's business to ensure that the businesses and assets are properly managed.
- v) Manage all investment and business risks and exposures jointly with the Group's senior management and managers.
- vi) 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 Role of Non-Executive Directors

Non-Executive Directors play key supporting roles for the Group by contributing advice and bring to bear their experience towards the strategies development and decision-making process. Non-Executive Directors also provide the relevant checks and balances to ensure that high standards of corporate governance are applied within the Group.

4.4 Role of the Chief Executive Officer ("CEO")

The CEO is appointed by the Board and is responsible for the ongoing management of Malpac Holdings Berhad in accordance with the strategy, policies and programs approved by the Board.

The CEO's responsibilities include:

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

5. Meetings and Operation of the Board

The Board meets regularly at least four (4) times a year with due notice of issues to be discussed and records its deliberations and conclusions in discharging its duties and responsibilities. In addition, the Board meets whenever necessary to deal with specific matters requiring attention between scheduled meetings.

All Board Minutes of the Board meetings shall be accurately recorded by the appointed Company Secretary. The Board shall ensure that the Minutes are a concise summary of the matters discussed at a Board meeting and contain a brief reference to relevant Board papers tabled plus any official resolutions adopted by Directors. Any Board decisions shall be recorded in the Minutes.

6. The Company Secretary

The Company Secretary is appointed by the Board to carry the following tasks:

- i) Overseeing Malpac Holdings Berhad compliance program and ensuring all of its legislative obligations are met.
- ii) Ensuring that the agenda and briefing materials for Board meetings are prepared and forwarded to Directors in a timely and effective manner.
- iii) Recording, maintaining and distributing the minutes of all Board and Board Committees meetings as required.
- iv) Preparing for and attending all general meetings of Malpac Holdings Berhad and ensuring that the correct procedures for convening and conducting such meetings are followed.
- v) Recording, maintaining and distributing the minutes of all annual and extraordinary general meetings of Malpac Holdings Berhad.

7. 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.

8. 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 oversee and appraise the quality of the audits conducted by the Group's internal and external auditors.
 - To determine the adequacy of the Company's administrative, operating and accounting control.
- 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 assist the Board in assessing the effectiveness of the Board as a whole and the contribution of each board member.
 - To identify and recommend Senior Management positions i.e. CEO and CFO and its terms and conditions, for the Board's approval.
 - To review and assess the performance of CEO on an annual basis.
 - To source and nominate the right candidates with the required skills, experience and attributes for recommendation to and appointment by the Board wherever the need arises.

- 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.

9. 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 2012.

10. Stakeholder 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 or Bursa's website at 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.
- 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.

11. Enforcement of the Board Charter

The Board Charter has been adopted by the Board on 10 May 2013.