

MALPAC HOLDINGS BERHAD

TERMS OF REFERENCE OF NOMINATION COMMITTEE

1) Purpose

The purpose of the Nomination Committee is to assist the Board in assessing the effectiveness of the Board as a whole and Board Committees, and assessing the contributions of each individual Director including CEO on an annual basis.

2) Membership

- a) The Committee shall be appointed by the Board from among their number and shall comprise not fewer than three (3) members.
- b) The members of the Committee shall be exclusively non-executive directors and majority being independent non-executive directors.
- c) The members of the Committee shall elect a Chairman from among their number who is a senior independent non-executive director of the Company.
- d) In the event of any vacancy in the Committee resulting in the number of members being reduced to below three (3), the Board shall, within three (3) months fill the vacancy.

The Committee consists mainly of Non-Executive Directors with majority being Independent Directors.

3) Committee Meetings

The Nomination Committee shall meet twice a year or as and when necessary and can also make decisions by way of circular resolution.

4) Functions and Duties

Nomination and Election Process of Directors and Criteria used in the process

- a) To consider and recommend to the Board, candidate for directorship of the Board and membership of the various Committees
- b) To facilitate an annual assessment of the required mix of skills and experience of the individual Board Members and the Board Committees
- c) To recommend the appropriate Board Balance and its composition.

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- d) To assess the performance of Directors which includes the recommendation of proposed development training programmes for Directors and key senior management.
- e) Recommend the core competencies and skills of the members and the optimum board size required to best serve the business and operations of the Group.
- f) Review the size of Non-Executive participation, Board balance and determine if additional Board members are required in addition to the composition requirement of independent directors and the need to fairly reflected the investments of minority shareholders.
- g) Perform annual assessment on Independent Directors and recommend to the Board should their service be continued if their tenure is exceeded a cumulative term of 9 years.
- h) Recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board. In making its recommendations, the Committee shall consider the candidates:-
 - i. Skills, knowledge, expertise and experience;
 - ii. Professionalism;
 - iii. Integrity; and
 - iv. In the case of candidates for the position of independent non-executive directors, to evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors.
- i) Consider in making its recommendations, candidates for directorship proposed by the Managing Director/Chief Executive Officer and, within the bounds of practicability, by any other senior executive(s) or any Director(s) or Shareholders.
- j) Recommend to the Board, Directors to fill the seats on Board Committees.
- k) Review succession plan, performance evaluation and professional development programmes for key senior management staff.
- l) Provide an orientation for new recruits to the Board.
- m) Assist the Board to implement a procedure to be carried out by the Nomination Committee annually for assessing the effectiveness of the Board as a whole, the Committees of the Board and contributions and performance of individual Directors

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including their required mix of skills, experience, other qualities and core competencies.

5) Reporting

The Chairman of the Committee shall report on each meeting to the Board.

6) Secretary

The Secretary to the Committee shall be the Company Secretary.

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Remuneration Committee

Term of reference

Purpose

The purpose of the Remuneration Committee is responsible for recommending to the Board the remuneration packages of the Executive Directors, CEO and any Key Personnel.

Membership

- a) The Committee shall be appointed by the Board from among their number and shall comprise not fewer than three (3) members.
- b) The members of the Committee shall be majority being non-executive directors and independent non-executive directors.
- c) In the event of any vacancy in the Committee resulting in the number of members being reduced to below three (3), the Board shall, within three (3) months fill the vacancy.

The Committee consists mainly of Non-Executive Directors with majority being Independent Directors. The members are:

Chairman : Mr Lim Hong Liang
Members : Mr Johari Low Bin Abdullah
Encik Muhayuddin Bin Musa

Committee Meetings

The Remuneration shall meet once a year or can also make decisions by way of circular resolution.

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Procedures

In the case of Director's Remuneration

- a) Executive Directors and Senior Management should play no part in the decisions on their own remuneration.
- b) Determination of remuneration packages shall be a matter for the Board as a whole. The individual(s) concerned shall abstain from discussion of their own remuneration.

Functions and Duties

The Committee shall:

- i. Review the existing level of remuneration of Executive Directors and Senior Management and assess its compatibility with their corporate, individual performance and market practices.
- ii. Recommend to the Board the remuneration of Executive Directors and Senior Management which is structured to link rewards to corporate and individual performance.
- iii. Review the level of remuneration of Non-Executive Director and assess if it reflects the experience and level of responsibilities undertaken by the Non-Executive Director(s) concerned.

Reporting

The Chairman of the Committee shall report on each meeting to the Board.

Secretary

The Secretary to the Committee shall be the Company Secretary.