



GREEN PACKET BERHAD
Company Registration No. 200001032335 (534942-H)

BOARD CHARTER

Purpose

It is the primary responsibility of the Board of Directors (the “Board”) in managing the business and operational activities of the Company and its subsidiaries (the “Group”). The Board believes that good corporate governance practices are pivotal towards enhancing ethical business conduct, promoting sustainability initiatives and strengthening corporate accountability in maintaining the confidence of shareholders/investors.

Purpose of the Charter

The primary objective of the Company’s Board Charter is to set out the collective functions and responsibilities of the Board.

Composition of the Board

The Board shall comprise of not less than two (2) nor more than twelve (12) directors. The compositions of the independent and non-independent directors are carefully considered to ensure that the Board is effective and well-balanced.

The Board must ensure that at least (2) or at least (1/3) one-third of the board members are independent directors. In the event of any vacancy in the Board, resulting in non-compliance with this requirement, the vacancy must fill within three (3) months.

The Nomination Committee reviews the size and composition of the Board and Board Committees annually, which include the skill sets, experience and functional knowledge of the Board to ensure a balanced Board composition.

The Board respects the requirement for gender diversity, emphasis shall first be placed on the qualities, experience and skills of a candidate irrespective of gender, which would best correspond to the composition of the Board so as to function effectively and efficiently.

Appointment of new directors shall be recommended by the Nomination Committee, Talent and Remuneration Committee and approved by the Board as a whole. In seeking potential candidates for new appointments, the Board takes into account the current and future needs of the Board.

Directors should notify the Chairman before accepting any new directorship in writing and total attendance of board of directors’ meetings held during a financial year should be at least 50%. Each director is to serve a maximum of five (5) board directorships with public listed companies in Malaysia.

The basis of assessment for independent director is done in accordance with the definition of independent director pursuant to the Main Market Listing Requirements i.e. items/criteria (a) to (g) of the definition.

The Board has a Policy which limit the tenure of its independent directors to nine years.

- The tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board subject to the director's re-designation as a non-independent director.
- Alternatively, the Board may seek shareholders' approval for retaining a person who has served beyond nine (9) years, as an independent director, provided the Nomination Committee and Board must conduct a careful review to determine whether the director's independence has been impaired.
- If the Board continues to retain independent directors after year-12, the Board may seek shareholders' approval for retaining a person who has served beyond twelve (12) years as an independent director.

The Chairman is a Non-Executive Director and the role of the Chairman and Group Managing Director and Chief Executive Officer ("GM&CEO") shall be separated with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

On 16 June 2020, the Board has appointed Encik A. Shukor Bin S.A. Karim as the Senior Independent Non-Executive Director to serve as a point of contact for investors and shareholders when the normal channel of communication is considered to be inappropriate or inadequate.

Role of the Board

The role of the Board is to provide strategic guidance to the Company and effective oversight of its management for the benefit of shareholders and other stakeholders. The Board retains ultimate authority over the day-to-day management of the Company. However, the Board may delegate responsibility for the day-to-day management of the Company to the GM&CEO and other senior executives of the Company.

The role of the Chairman is to manage and to provide leadership to the Board. He is accountable to the Board and acts as a direct liaison between the Board and the management of the Company, through the GM&CEO.

The GM&CEO is responsible for the day-to-day business of the Group, within the authorities as delegated by the Board under an approved discretionary authority limit table.

Schedule of Matters Reserved for Approval by the Board

The matters specifically reserved for approval by the Board are described below:

- Determining, approving and overseeing of the Group's long-term objectives and business / corporate strategy and annual operating plan, including any deviation from the Group's business plan and annual operating plan.

- Approving any major corporate exercises such as IPO, mergers and acquisitions or material disposals.
- Setting Board delegations authority and approving financial matters in accordance with those delegations of authority.
- Determining the remuneration policy of the Executive and Non-Executive Directors.
- Reviewing and approving the Company's overall corporate governance policies and business sustainability framework, together with the Corporate Governance Statement.
- Examining the effectiveness of the Group's system of internal controls as well as approving the Company's risk policy and the Company's report on internal controls.

Responsibilities of the Board

The Board has the responsibility to:

- Review and approve the annual operating plan for the Group which includes strategic plan and policy for the Company;
- Oversee the conduct of the Company's business to evaluate whether the business is being properly managed;
- Maintain an effective Board that consist of competent individuals with appropriate specialized skills and knowledge to lead and steer the Company;
- Ensure efficient succession planning, including appointing, training, fixing the compensation of and, where appropriate, replacing top management;
- Maintain an effective system of internal control to safeguard shareholders' investment and Company's assets;
- Understand the principal risk of the Company's business and recognize the business decisions involve the taking of appropriate risks;
- Set the risk appetite within the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyze, evaluate, manage and monitor significant financial and non-financial risks;
- Approve the quarterly results and annual audited accounts;
- Review the adequacy and the integrity of the Company's internal control systems and information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- Develop and implement an investor relations programme or shareholder communications policy for the Company; and
- Identify the principal risks and ensuring the implementation of appropriate systems to manage these risks.

Board Committees

The Board is assisted in the discharge of its responsibilities by three (4) Committees and one (1) Management-led committee which operate within its written terms of reference to assist the Board in furtherance of its duties. The committees are responsible for particular aspects of the operation of the Company. The Board Committees undertakes in-depth deliberation of the issues at hand before tabling its recommendation thereon to the Board.

The Board Committees are as follows:

- Audit Committee;
- Nomination Committee;
- Talent and Remuneration Committee; and
- Sustainability Committee.

Management-led Committee is as follows:

- Risk Management Committee

Board review

The Board will review the size and composition of the Board yearly. The Board will also assess the Board's performance, annually, in order to confirm that its processes and procedures remain adequate to ensure that it is carrying out its functions as effectively as possible.

The Board will have to agree on the criteria to be used for evaluation and ensure all directors are informed that they will be evaluated. Each director should be evaluated on the right mix of skill sets, experience and functional knowledge relevant to the Company.

Directors' training

It is compulsory for every director to complete his Mandatory Accreditation Programme. The Board must attend training programmes prescribed by Bursa Malaysia Securities Berhad from time to time. Besides that, the Board must evaluate the training needs of its directors and ensure that their training needs are met. The Board must disclose in its Company's annual report, the training attended by each individual director. Where any of its directors have not attended any training during the financial year, the Board must state the reasons for non-attendance in the annual report for that particular director.

The Company shall provide an orientation and education programme for new recruits to the Board upon appointment.

Directors' remuneration policy

The Company has adopted a formal and transparent policy and procedure to attract and retain directors. The remuneration package is reflective of the Board's responsibilities, expertise and complexity of the Company's activities. In addition, the remuneration for Executive Director is structured to link rewards to corporate and individual performance. Remuneration package for Executive Director is subject to the approval of the Board while remuneration of the Non-Executive Directors is subject to the approval of the shareholders.

Re-election / re appointment of directors

The Company's Constitution provides that director(s) appointed during the year shall retire from office and be subject to re-election by shareholders at Annual General Meeting ("AGM"). At every AGM, one-third of the directors are subject to retirement by rotation such that each director shall retire from office once in every three years, or, if their member is not three or a multiple of three, the number nearest to one-third shall retire from office and if there is only one director who is subject to retirement by rotation, he shall retire. The directors to retire shall be the directors who have been longest serving in office since the last AGM. As between directors of equal seniority,

the directors to retire shall, in the absence of agreement be selected from among them by agreement.

Meetings

- Meetings of the Board will be held as frequently as the Board considers appropriate, but it will normally meet not less than five times a year.
- Notice of meetings and board papers shall be given to members of the Board at least seven (7) days prior to the meeting.
- Two (2) Directors shall form a quorum.
- Questions arising at any meeting shall be decided by a majority of votes.

Proceeding at meetings

- Unless varied by these terms of reference, meetings and proceedings of the Board will be governed by the Company's Constitution.
- The Company Secretary shall take minutes of the meetings. These shall be reviewed and approved by the Chairman and management before being tabled to the Board at the next meeting.

Code of ethics

The Board is to maintain the highest degree of integrity and professionalism which at the same time promoting the transparency and accountability in their actions.

Whistle-blowing policy

The Company has put in place a whistle blowing policy. It sets out the responsibility of the Board and employees to identify and report suspected fraud, corruption, dishonest practices and other irregularities or misconduct that can causes potential damage to the Company's reputation or its stakeholders.

General

- The Board in carrying out its tasks under these terms of reference may obtain independent professional advice in furtherance of their duties. The cost of such exercise shall be borne by the Company.
These terms of reference for the Board committees will be subject to annual review by the Board and to be disclosed in the Annual Report. A copy of the charter is available at www.greenpacket.com
- The Charter should be reviewed annually in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of Board's responsibilities.