

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

BOARD CHARTER

PURPOSE OF THE BOARD CHARTER

The Board believes that good corporate governance practices are pivotal towards enhancing business sustainability and corporate accountability with the ultimate objective of realizing long-term shareholder value, whilst considering the interests of other stakeholders. 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”).

A. ROLE OF THE BOARD AND ITS PRINCIPAL RESPONSIBILITIES

The Board is collectively responsible for the proper stewardship of the Group’s business and the creation of long-term success as well as the delivery of sustainable value to its stakeholders.

The Board’s responsibilities include the following:

1. Set the Company’s strategic aims, values, and standards.
2. Review, challenge and decide on Management’s proposal for the Company and monitor its implementation by Management.
3. Together with Senior Management, responsible for strategic plans, monitoring performance targets, and developing the long-term goals of the business of the Group by setting sustainability strategies, priorities, and target to ensure that the Company’s business strategic and operations supports long-term value creation and includes strategies on economic, environmental, and social considerations underpinning sustainability.
4. Develop and oversee the conduct of the Group’s business, oversee the performance of Management, and evaluate whether the business is being properly managed.
5. Review the adequacy and integrity of the system of internal control to safeguard and risk management system to safeguard shareholders’ investment and Group’s assets;
6. Understand the principal risk of the Group’s business and recognize that business decisions involve the taking of appropriate risks.
7. 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.
8. Ensure that there are measures in place for the succession planning of Board and Senior Management with skills and abilities.

9. Ensure that the Company has in place procedures to enable communications with stakeholders.
10. Ensure the integrity of the Company's financial and non-financial reporting.
11. 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.
12. Establish Code of Conduct, Anti-Corruption practices, policies, and procedures to supervise the conduct of the Board, Management, and employees in addressing and managing anti-corruption, whistleblowing, and conflict of interest.

Matters Reserved For The Board

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

1. 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.
2. Approving any major corporate exercises, acquisitions, or material disposal.
3. Setting Board delegations authority and approving financial matters in accordance with those delegations of authority.
4. Determining the remuneration policy of the Executive and Non-Executive Directors.
5. Reviewing and approving the Company's overall corporate governance policies and business sustainability framework, together with the Corporate Governance Statement.
6. 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.

B. BOARD STRUCTURE

Board balance and composition

The Company's Constitution allows for not less than two (2) or more than twelve (12) directors. The Board should be made up of qualified individuals with a wide range of skills, expertise, experience, diverse background, and gender. The Board ensures 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 Company must fill the vacancy within three (3) months.

The compositions of the independent and non-independent directors are carefully considered to ensure that the Board is effective and well-balanced. The basis of assessment for independent director is done in accordance with the definition of independent director pursuant to the Main Market Listing Requirements.

The Board has limited the tenure of its independent directors to nine (9) 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.
- If the Board continues to retain independent directors after year 9, the Board must provide justification and seek shareholders' approval through a two-tier voting process.

The Board through the Nomination Committee reviews the size and composition of the Board annually, which includes the skill sets, independence, and diversity (including gender diversity) required to meet the needs of the Company including such other criteria sets out in the Directors' Fit and Proper Policy. The tenure of each director and annual re-election of a director is reviewed by the Nomination Committee.

In identifying, considering, and recommending suitable persons for appointment as Directors, the Board does not solely rely on sources from existing Board members, Management, major shareholders. The Company would utilize independent search firms and other independent sources on a need be basis.

Re-election / re appointment of directors

The appointment, re-appointment and/or re-election of a director shall be recommended by the Nomination Committee and approved by the Board as a whole. 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.

Role of the Chairman

There is a clear separation of responsibilities between the Chairman and the Chief Executive Officer / Chief Executive Director to ensure a balance of power and authority.

The roles and responsibilities of the Chairman is to manage and to provide leadership to the Board. His role is to ensure smooth functioning of the Board in the interest of good corporate governance.

Key responsibilities of the Chairman include the following:

- providing leadership for the Board so that the board can perform its responsibilities effectively;
- leading the board in the adoption and implementation of good corporate governance practices in the Company;
- setting the board agenda and ensuring that directors receive complete and accurate information in a timely manner;
- leading board meetings and discussions;
- encouraging active participation and allowing dissenting views to be freely expressed;
- managing the interface between board and management; and
- ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the board as a whole.

Role of the Chief Executive Officer / Chief Executive Director

The roles and responsibilities of the Chief Executive Officer / Chief Executive Director is to be responsible for setting and executing major corporate strategies, managing overall operations, and setting the Company's strategic direction. His other key responsibilities include the following:

1. Building the Senior Leadership Team;
2. Making Capital Allocation Decisions;
3. Setting Vision, Values, and Corporate Culture; and
4. Communicating Effectively with All Stakeholders.

Role of the independent directors' duties and responsibilities typically include:

- On matters such as finances, strategy, performance, risk management, and key appointments, they must give independent judgment to the board.
- Protect the interests of all stakeholders.
- Balance the interests of all stakeholders while making deliberations.
- Set appropriate remuneration levels for the Company's senior executives.
- Provide an objective perspective and opinion regarding the organization's status and key corporate decisions.
- Monitor the integrity of financial information and risk management, ensuring relevant controls are in place.
- Report unethical behavior, fraud, or violations of Company policies.

Company Secretary(ies)

The appointment and removal of the Company Secretary(ies) is a matter for the Board, as a whole. She is responsible along with the Board for administration of the Company's matters under the Companies Act 2016, Main Market Listing Requirements and other regulatory authorities. The Board has unrestricted access to the advice and services of the Company Secretary, enabling them to discharge their fiduciary duties effectively.

Board Committees

The Board is assisted in the discharge of its responsibilities by four (4) Committees which operate within its written terms of reference to assist the Board in furtherance of its duties. The committees are responsible for the particular aspects of the operation of the Company. The Board Committees undertake 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;
- Remuneration Committee; and
- Risk Committee

The Terms of Reference of the Board Committee are published and available on the Company's website: www.greenpacket.com

C. BOARD PROCEDURES

Board Meetings

- Board Meetings are scheduled in advance. The Board will be held as frequently as the Board considers appropriate, but it will normally meet not less than five (5) times a year.
- The Chairman of the Board of Directors shall preside as Chairman at every meeting.
- The Directors may participate in a Board meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
- Two (2) Directors shall form a quorum. The Directors present at the commencement of the meeting do not leave the meeting by disconnecting the instantaneous telecommunication device but the meeting shall be deemed to have been conducted validly notwithstanding that the telecommunication device is accidentally disconnected during the meeting and provided that no decisions should be made in respect of matters by the Directors during the disconnection and that if the telecommunication device cannot be reconnected at all, the meeting shall then be adjourned.
- A resolution may consist of several documents in like form each signed by one or more Directors. Such circular resolution in writing may be accepted as sufficiently signed by a Director if transmitted to the Company by facsimile, other electrical or digital written message or other similar means of communication purporting to include a signature of a Director shall be as valid and effectual as if it has been passed at a Board Meeting.

- The Board should be informed of the decision and significant issues deliberated by the Board Committees via the reporting by the Chairman of the respective Board Committees and the minutes of the Board Committees tabled at the Board meetings.

Notice and board papers

Notice of meetings and board papers shall be given to members of the Board at least seven (7) days prior to the meeting. The Notice of Meeting may be given in writing or facsimile or by Electronic Communication or post to all Directors.

Voting

Questions arising at any meeting of Directors shall be decided by a majority of votes, each Director having one vote and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes the Chairman of the meeting shall have a second or casting vote.

Minutes

The minutes of the Board meeting shall be distributed to Board members after the meeting. The minutes shall be tabled at the following Board meeting for confirmation and thereafter for signing by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next meeting. Any Directors who abstained from voting or deliberation on a particular matter will be recorded in the minute.

All Directors' Circular Resolutions are tabled for confirmation at the next Board meeting. The minutes of the Board Committees are also presented to the Board for notation.

D. DECLARATION OF INTEREST

Every Director shall comply with the provisions of Sections 219 and 221 of the Act in connection with the disclosure of his shareholding and interests in the Company and his interest in any contract or proposed contract with the Company and in connection with the disclosure, every director shall state the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly, duties or interests might be created in conflict with his duty or interest as a director of the Company.

A Director shall not participate in deliberations and abstain from voting in respect of any contract or proposed contract or arrangement in which he is interested, directly or indirectly, and if he does so vote, his vote shall not be counted.

E. INDEPENDENT PROFESSIONAL ADVICE

The Board or in their individual capacities, in carrying out its tasks under these terms of reference may obtain independent professional advice in the furtherance of their duties. The cost of such an exercise shall be borne by the Company.

F. 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. The Board shall ensure its members have access to appropriate continuing education programmes to update their knowledge and enhance their skills so as to sustain their active participation in Board deliberations.

G. BOARD REVIEW AND CHARTER

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.

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 the Board's responsibilities.

H. 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. A remuneration package for the 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.

I. CODE OF ETHICS

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

J. 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 cause potential damage to the Company's reputation or its stakeholders.