

Halal Committee of Duopharma Biotech Berhad

Terms of Reference

This Terms of Reference sets out the matters concerning the governance of the Halal Committee (“HC” or the “Committee”).

1. Purpose

- 1.1 The purpose of the HC is to assist the Board of Directors (“Board”) in providing stewardship to Duopharma Biotech Berhad’s (“Duopharma Biotech” or the “Company”) and its subsidiaries’ (collectively referred to as the “Group”) Halal Pharmaceuticals Agenda (“HPA”). The Board is the custodian of the Group’s HPA.

- 1.2 In the exercise of its functions, it is understood that the HC is not delegated with decision-making powers but shall report its recommendations to the Board for decision. The existence of the HC does not diminish the Board’s ultimate statutory and fiduciary responsibility for the decision-making relating to the functions and duties of the Committee.

2. Composition

- 2.1 **Size**
The Committee shall comprise at least three (3) members.

- 2.2 **Membership**
All the Committee members shall be Non-Executive Directors.

- 2.3 **Chairman of the Committee**
The elected Chairman shall be an Independent Director.

- 2.4 **Secretary of the Committee**
The Secretary of the Committee shall be the Company Secretary or his or her representative.

3. Appointment of members

- 3.1 The Nomination & Remuneration Committee (“NRC”) in consultation with the HC shall recommend the appointment of HC members to the Board.

- 3.2 Members shall be appointed based on their ability to devote time, character, integrity, competence and experience relevant to their duties within the HC.
- 3.3 The members serving the Committee shall be changed at appropriate and regular intervals. In order to ensure that the entire Committee is not replaced at any one time and the change does not affect the composition in terms of compliance with legislative promulgations (if any), such change of members shall be done on a progressive basis.

4. Performance Evaluation

- 4.1 The effectiveness of the HC as a Board Committee (including skills mix and contribution of members) shall be assessed annually by the NRC.

5. Duties of the Chairman of the Committee

- 5.1 The key duties of the Chairman of HC shall include the following:
- (a) Plan and conduct the HC meetings;
 - (b) Ensure that the HC meetings are run efficiently and each agenda item is thoroughly and thoughtfully discussed by all members of the committee;
 - (c) Encourage open discussion during meetings;
 - (d) Oversee reporting to the Board; and
 - (e) Act as the key contact between the Committee members and members of the Board and maintain active ongoing dialogue with Management and both key internal and external Halal Pharmaceuticals' stakeholders.
- 5.2 The Chairman of HC together with other members of the Committee shall also ensure, amongst others, the following:
- (a) The Committee provides an independent review on the effectiveness and efficiency of the Group's Halal initiatives, and recommends relevant intervention that enables the Group to sustain as the halal pharmaceutical industry thought and market leader;
 - (b) The Committee appropriately communicates its insights, views and concerns about relevant transactions and events relating to the Group's HPA to the Board and Management;
 - (c) The Committee's concerns on matters that may have an effect on the Group's HPA to the Board and Management; and
- 5.3 There is coordination with other Board Committees to avoid overlaps or duplications and/or synchronize approaches/activities in the overall Halal stewardship process and other Board Committees' processes.

6. Duties of the Committee

Subject to any resolution of the Board, the duties of the Committee are:

- 6.1 To carry out the following in relation to **the Group's Halal Pharmaceutical Agenda** which includes to:
- (a) Deliberate, determine and recommend to the Board, on the applicability, relevancy and benefits of HPA scope and framework to optimize positioning and create value for Duopharma Biotech Group and the Group's stakeholders;
 - (b) Provide advice and recommendation to the Board to ensure that Duopharma Biotech Group's HPA is supported by sound business principles, strategies, framework, policies and processes;
 - (c) Ensure alignment and integration of Halal initiatives with other initiatives which include formulation of strategies, development of business plans, budgeting, forecasting and performance review, within Duopharma Biotech Group;
 - (d) Participate with Management to identify strategic opportunities and potential business networks/partnerships/collaborations and develop good relationship with independent experts, national authorities international Islamic Councils and research institutions to assist in advancing Duopharma Halal Pharmaceutical initiatives; and
 - (e) Endorse any appointment or termination of the members of the Halal Strategy Committee and Halal Council, on the recommendation of Management. Where, in the course of meeting its purpose and performing its duties, the HC discovers that any member of Duopharma Biotech Group is involved in non-compliant activities relating to the Group's HPA/Halal integrity or discovers an issue of concern or for which there is scope for improvement, make recommendations to the Board on action needed to address the issue or to make improvements.
- 6.2 To carry out the following in order to provide oversight to **ensure the sustainability of the Group's Halal integrity**:
- (a) Review, and endorse the Halal policy, Halal strategies, Halal Assurance Management System (HAS) and Halal-related Research & Development (R&D) initiatives, within Duopharma Biotech Group;
 - (b) Ensure and monitor status of the Duopharma Biotech Group's securities listed as Shariah-compliant securities; and
 - (c) Provide advice and guidance on critical matters of Halal to sustain Duopharma Biotech Group's leadership in Halal Integrity.

7. Meetings

- 7.1 Meeting frequencies and calling of meetings

- (a) The Committee shall meet on a quarterly basis, or as frequently as the circumstances dictate; and
- (b) Additional meetings shall be scheduled as considered necessary by the Committee or Chairman of the HC. The Chairman of the Committee shall call for a meeting if requested to do so by the Chairman of the Board or requested by another member of the Committee.

7.2 Quorum and participation

- (a) The quorum for the Committee shall be two (2) members;
- (b) In the event the Chairman is unable to be present for a meeting, the members who are present at the meeting can appoint a Chairman among themselves to chair the meeting;
- (c) Each individual Committee member shall attend at least 50% of the Committee meetings held during the financial year;
- (d) The Committee may request other Directors, members of Management, counsels or consultants to attend the Committee meetings by invitation if necessary; and
- (e) The meetings shall convene in a face-to-face manner. If a member is unable to be present at the meeting venue, his/her participation through tele/video-conferencing or other appropriate means may be permitted.

7.3 Notice on meetings and information flow

- (a) Notice of the Committee's meeting shall be sent to all members in a timely manner, which should include the date, time, venue and the agenda of the meeting (*Paragraph 4- notice on meetings, Third Schedule of Companies Act 2016*);
- (b) The HC meeting agendas shall be developed by the Chairman of the HC and the Secretary in consultation with Management;
- (c) The Chairman of the HC together with the Company Secretary shall ensure that sufficient information such as the agenda and accompanying meeting materials for each meeting are circulated at least five (5) business days before each meeting to the Committee members and all those who are invited to attend the meeting, where applicable (*Guidance to Practice 1.5, Malaysian Code on Corporate Governance*).

7.4 Voting

- (a) A matter put to vote at the Committee meetings shall be decided by a simple majority of the votes cast and in the event of an equality of votes, the Chairman of the meeting has the casting vote. A member of the Committee, who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, shall not participate in the voting process.
- (b) Any resolution in writing, signed or assented to by the majority of the members of the HC shall be as valid and effectual as if it had been passed at a meeting of the HC duly called and constituted and may consist of

several documents in the like form each signed by one or more of such members.

7.5 Meeting minutes

- (a) The Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee (*Paragraph 13, Third Schedule of Companies Act 2016*);
- (b) The minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive and contemporaneous evidence without any further proof of the facts thereon stated;
- (c) All members should ensure that the meeting minutes accurately reflect the deliberations and decisions of the Committee, which includes any dissenting comments made as well as abstention of the members (*Guidance to Practice 1.5, Malaysian Code on Corporate Governance*); and
- (d) The reproduction of any parts of the meeting minutes shall only be performed through or by the Secretary

7.6 Reporting and disclosure

- (a) The report of each Committee meeting shall be tabled and presented to the Board during the subsequent Board meeting to keep them informed and updated on the key issues deliberated by the Committee.

7.7 The HC must provide, in the Company's annual report, a statement about its activities in the discharge of its duties for the financial year (*paragraph 15.08A of Main Market Listing Requirements by Bursa Malaysia Securities Berhad*).

8. Authority

8.1 Unless otherwise provided by or subject to any applicable laws or legislative requirements, the Committee shall have the permission to obtain resources needed to fulfil its duties and responsibilities as set out in this Terms of Reference at the expense of the Group, such as:

- (a) to obtain professional and independent advice from external advisors with relevant knowledge and experience, either through the Group Managing Director or the Company Secretary's office, when it is deemed necessary; and
- (b) full and unrestricted access to information concerning the Group.

(*paragraph 15.04 of Main Market Listing Requirements by Bursa Malaysia Securities Berhad*)

9. Review and amendments of the Terms of Reference

- 9.1 This Terms of Reference has been approved by the Board. The Board shall review this Term of Reference periodically and make amendments when necessary; and
- 9.2 The Company Secretary shall ensure that the provisions of this Terms of Reference continue to comply with legal requirements and corporate governance enumerations applicable to the Group and, if necessary, shall suggest amendments to the Terms of Reference for consideration by the Board.