

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 7148  
**COMPANY NAME** : Duopharma Biotech Berhad  
**FINANCIAL YEAR** : December 31, 2020

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors (the "Board") of Duopharma Biotech Berhad ("Duopharma Biotech" or the Company") is cognisant of its duties in providing oversight of Management and the operations of the Company and its subsidiaries (i.e. collectively referred to as the "Group"). The Board is responsible in ensuring an effective governance structure is put in place. As such, the Board has established a sound corporate governance framework that enables a transparent and effective decision-making procedures. The key roles of the Board are set out in the Board Charter.</p> <p>Additionally, in establishing the Company's Corporate Governance framework pursuant to the <i>Guidelines on Conduct of Directors of Listed Corporations and their subsidiaries</i> issued by the Securities Commission of Malaysia on 30 July 2020, the Board had on 22 February 2021 approved the <i>Management and Monitoring Framework</i>, in essence, for the following purposes:-</p> <ul style="list-style-type: none"><li>i) To fulfil the requirement for a formal governance framework as advocated by the Guidelines;</li><li>ii) To provide guidance to Duopharma Biotech Berhad ("Duopharma Biotech") and the Nominee Directors appointed in the subsidiaries in discharging their roles and responsibilities in relation to the management and monitoring of subsidiaries as well as entities which Duopharma Biotech participates in the management; and</li><li>iii) To provide consistency of actions within Dupharma Biotech and its subsidiaries to ensure best practices are implemented in managing and monitoring.</li></ul> <p>The Board is assisted by five (5) Board Committees, namely the Audit and Integrity Committee ("AIC"), Nomination and Remuneration Committee ("NRC"), Risk Management and Sustainability Committee ("RMSC"), Halal Committee ("HC") and the Medical Advisory Committee ("MAC"). The Board delegates certain functions to the</p>

Board Committees in accordance with their respective Terms of References (“TOR”). The Board Charter and the TOR are available at: <https://duopharmabiotech.com/about-us/corporate-governance>. The work done by the Board Committees in discharging and meeting their functions, duties and responsibilities are described in the respective Board Committee’s report in the Annual Report 2020.

As custodians of the Company, the Board is responsible for fashioning strategic aims to ensure long-term sustainable growth. The Board reviews, challenges and approves the strategic multi-year plan proposed by Senior Management. In 2020, the Board and Senior Management reviewed the Group’s strategy in adapting to the global health crisis. The Board had convened strategic meetings to deliberate on the impact of COVID-19 on the healthcare industry and to understand the key trends together with the meetings for adapting to the ‘new normal’.

During the year under review, sixteen (16) Board meetings were convened to deliberate on the furtherance of strategic plans to ensure it is aligned with the long-term objectives of the Company. The Board also receives reports, updates and recommendations from the Board Committees and Senior Management on the governance, business performance and development of the Company. The Board was able to effectively transition to virtual communications due to the Group’s established information technology infrastructure.

The Board sets the tone at the top by promoting a culture of corporate governance that reinforces ethical and professional behaviour premised on the Company’s principles. The Board ensures the core principles of Duopharma Biotech form the bedrock upon which the Company functions. The Board has established a series of integrity policies to inculcate good governance culture which includes:

- Code of Conduct;
- Directors Code of Best Practice;
- Anti-Bribery & Anti-Corruption Policy;
- Anti-Bribery Management System;
- Whistle-Blowing Policy;
- Anti-Money Laundering & Counter Financing Terrorism Policy;
- Business Ethics Policy;
- Declaration of Interest Policy;
- Gifts & Hospitality Policy;
- Honorarium Guidelines;
- Integrity Pact Policy;
- Investigation Procedure; and
- Sponsorship Policy.

All Senior Management personnel have signed the Corruption Free Pledge (“*Ikrar Bebas Rasuah*”) in 2018 with the Malaysian Anti-Corruption Commission.

	<p>The Board has delegated responsibility for its day-to-day operations of Duopharma Biotech to Management who is led by the Group Managing Director (“GMD”). To ensure the Company’s businesses are properly managed and measured against the established goals and targets, the performance of Senior Management is assessed via key performance indicators that are aligned with the Group’s strategic goals.</p> <p>The Board and Senior Management are responsible and accountable for the Company’s risk management and internal control systems. The Board has established and continuously monitors the effectiveness of internal control systems in enabling the Company to respond appropriately to significant business, operational, financial, compliance and other risks. The Senior Management has in place mechanisms to safeguard of assets from inappropriate use or from loss and fraud by ensuring the risks and liabilities are identified and managed. The RMSC supports the Board in monitoring the Group’s risk exposures, operating effectiveness of the risk management and internal control systems. As part of its oversight on integrity matters, the AIC also looks at corruption risk.</p> <p>The Board gives high priority to maintain effective communication and dialogue with all stakeholders. During the height of the COVID-19 pandemic, the Investor Relations team continued to engage investors virtually to explain its strategies and plans. The Company also provides a comprehensive and informative website for shareholders with regularly updated information. In recognising the importance of stakeholder engagement as to the Company’s corporate governance framework, the Board through the Company Secretary has pioneered the Company’s first virtual AGM to ensure effective, transparent and regular communication with shareholders. Further, the Company has conducted seven (7) investor relations engagement sessions during the year under review.</p> <p>Further details on stakeholder engagement activities carried out can be found in the Duopharma Biotech’s corporate website.</p>	
<b>Explanation for departure</b>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>		
<b>Timeframe</b>		

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is led by Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir, a Non-Independent, Non-Executive Chairman. Tan Sri Siti Sa'diah was appointed to the Board on 5 April 2016 and was designated as Chairman on 28 December 2017. The Chairman is responsible to ensure effective conduct and performance of the Board and provide leadership in driving corporate governance and compliance.</p> <p>In fulfilling this role, the Chairman's responsibilities include, amongst others:</p> <ul style="list-style-type: none"><li>▪ Leading the Board in establishing and monitoring good corporate governance practices;</li><li>▪ Guiding and mediating the Board's action with respect to the Company's priorities and governance concerns.</li><li>▪ Setting the meeting agenda, and ensuring Directors receive complete, accurate and timely meeting materials;</li><li>▪ Leading Board meetings and discussions which include encouraging all Directors to actively participate and contribute in meeting discussions whilst allowing dissenting views to be freely expressed;</li><li>▪ Facilitating information flow between Board and Management by organising the information necessary for the Board and relaying information to the Directors on a timely basis with assistance from the Company Secretary;</li><li>▪ Providing leadership in establishing and maintaining high standards of corporate governance practices;</li><li>▪ Ensuring continuous and effective communication with stakeholders and ensuring feedback and input received from stakeholders are taken into consideration by the Board;</li><li>▪ Undertaking investor relations and public relations activities together with the GMD to ensure effective communication with shareholders and other stakeholders; and</li><li>▪ Being the spokesperson for the Company at the virtual AGM and in the reporting of performance and profit figures, together with the GMD.</li></ul> <p>The detailed roles and responsibilities of the Chairman are encapsulated in the Board charter, available at on the corporate website at <a href="https://duopharmabiotech.com/about-us/corporate-governance/board-charter/">https://duopharmabiotech.com/about-us/corporate-governance/board-charter/</a>.</p>

<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.3

The positions of Chairman and CEO are held by different individuals.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is cognisant of exercising objective oversight over Management to safeguard the interest of the Group and its stakeholders. As such, there is a clear division of responsibilities between the Chairman and the Group Managing Director ("GMD") to ensure a balance of authority and to prevent any single individual from dominating deliberations and the decision-making process.</p> <p>Accordingly, the positions of Chairman and the GMD are held by different individuals. The position of the Chairman of the Board is held by Tan Sri Datin Paduka Siti' Sa'diah binti Sh Bakir whilst the position of the GMD is assumed by Encik Leonard Ariff bin Abdul Shatar. The Chairman has never assumed any executive position in the Company.</p> <p>Further, the Chairman and the GMD have separate and distinct functions. The Chairman is responsible for providing leadership to the Board and providing oversight on Management whilst the GMD manages the day-to-day business operations of the Company and implements the Board's decisions.</p> <p>The respective duties and responsibilities of the Chairman and the GMD are encapsulated in the Board Charter, available at <a href="https://duopharmabiotech.com/about-us/corporate-governance/board-charter/">https://duopharmabiotech.com/about-us/corporate-governance/board-charter/</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.4

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board is supported by a suitably qualified and competent Company Secretary, namely, Encik Ibrahim Hussin Salleh, who fulfils the requirement enshrined in Section 235 (2) of the Companies Act 2016. Encik Ibrahim possess a legal qualification and has accumulated vast legal and corporate secretarial experience throughout his career.</p> <p>The Company Secretary plays a key advisory role in supporting the Board to uphold high standards of corporate governance. As a counsel to the Board, Encik Ibrahim provides the Board with periodic updates regarding regulatory developments and assists the Board in interpreting and applying pertinent corporate governance promulgations.</p> <p>All members of the Board have access to the advice and services of the Company Secretary on matters relating to the Group to assist them in the performance of their duties. As Company Secretary, Encik Ibrahim provides support in facilitating the flow of information to the Board. Additionally, he serves as a liaison for stakeholders' communication and engagement on corporate governance issue.</p> <p>The Company Secretary also provides secretarial services for the Company's subsidiary companies that are incorporated in Malaysia by serving as the company secretary for those companies. In addition, he provides oversight of the secretarial function for subsidiary companies incorporated in other countries, namely Duopharma (Singapore) Pte. Ltd. and DB (Philippines), Inc.</p> <p>In order to keep abreast with the latest developments in the Corporate Governance realm, the Company Secretary has undertaken continuous professional development by attending relevant trainings and professional development programmes relevant to his role as a Company Secretary.</p> <p>In addition, the Company Secretary supports the Chairman in facilitating the training for the Directors and the design and delivery of Directors' training programmes, including training of executives of the Group selected by the Board to serve as directors of subsidiary companies within the Group prior to their appointment as directors.</p>

	<p>The Company Secretary plays an important role for the Annual General Meeting (“AGM”) in ensuring that the due processes are in place and properly managed. During the AGM, the Company Secretary assists the Chairman and the Board on the conduct of the AGM and ensure the minutes are properly recorded, particularly the questions raised by the shareholders.</p> <p>Whilst the position of the Company Secretary is combined with that of the Chief Legal Officer, it should be noted that the element of impartiality in the corporate governance advisory role remains intact as relevant safeguards have been put in place. For example, the Company Secretary does not act as an advocate for the Company on litigation matters and court proceedings.</p> <p>The Company Secretary has a direct functional reporting line to the Chairman and has been accorded with appropriate standing and authority to enable him to discharge his duties in an impartial and effective manner. The appointment or removal of the Company Secretary is the prerogative of the Board.</p> <p>The roles and responsibilities of the Company Secretary are further outlined in the Board Charter.</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.5

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of information supply in promoting informed Board discussions. The Chairman, together with Senior Management and Company Secretary, are responsible for ensuring that Directors receive adequate and timely information prior to Board and Board Committee meetings.</p> <p>In order to facilitate the arrangements in a methodical manner, the annual Board meeting calendar is circulated in advance before the beginning of each new financial year. The calendar provides dates of key events throughout the year including Board and Board Committee meetings, Board trainings, strategy retreats, AGM, target announcement of quarterly results and major conferences.</p> <p>BoardPac, an electronic meeting management software, was fully utilised and able to effectively disseminate and retain meeting materials. The system is equipped with a portal which afford confidentiality and security, combined with a comprehensive set of user-friendly functionalities such as annotation features. Directors are supplied with iPad so that all notices and proposal papers are uploaded and distributed to Directors electronically and instantly, enabling Directors to access the Board papers anytime and anywhere, and on a timely basis. The Directors may also retrieve any past information via its archival system.</p> <p>As stipulated by the Board Charter, all meeting materials are to be distributed to Directors within a minimum of five (5) days prior to the respective Board or Board Committee meetings. The Chairman is responsible for ensuring that all Directors receive and are properly briefed on issues arising at Board meetings and that they have full and timely access to relevant information.</p> <p>The meeting materials provided to Directors include a formal meeting agenda as well as Board papers prepared by Management. The Board papers, include, amongst others:</p> <ul style="list-style-type: none"><li>▪ Minutes of Meetings/Reports of all Board Committees;</li><li>▪ Business plan and strategic direction;</li><li>▪ Current operating and business issues;</li><li>▪ Annual budget review, forecasts and projections;</li></ul>

	<ul style="list-style-type: none"> <li>▪ Quarterly and annual financial reports;</li> <li>▪ Potential acquisitions and disposal of assets of substantial value;</li> <li>▪ Major investment and financial decisions;</li> <li>▪ Key policies, procedures and authority limits;</li> <li>▪ Reports, advices and opinions of external consultants/advisors as had been sought for; and</li> <li>▪ Internal Audit Reports and updates on Integrity matters.</li> </ul> <p>Proceedings of the Board and Board Committee meetings are documented by the Company Secretary to highlight key deliberations, rationale and approach, concerns from individual Directors and abstentions from voting. The Company Secretary targets to circulate meeting minutes one month after the conclusion of the proceedings.</p> <p>The Company Secretary would also notify and follow-up with Senior Management of actions to be taken or further updates to be provided to the Board. The updates and actions plan for the items identified as matters arising would be further discussed at the next Board and Board Committee meetings.</p> <p>Formal channels are usefully augmented and supplemented by regular informal dialogue between non-executive members of the Board and Management on matters relating to the Company's business.</p> <p>Directors are entitled to request and receive supplementary information in order to be fully briefed before the meeting.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

**Practice 2.1**

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter provides guidance to the Board in the fulfilment of its roles, duties and responsibilities. The Board Charter promotes the highest standards of corporate governance and is designed to provide guidance and clarity to Directors and Management with regard to the respective roles and responsibilities and the Board's reserved matters and responsibilities.</p> <p>The Board Charter outlines among others the following matters:</p> <ul style="list-style-type: none"> <li>▪ Key principles, values and ethos of Duopharma Biotech;</li> <li>▪ Board composition;</li> <li>▪ Board's role and responsibilities;</li> <li>▪ Separation of function between the Chairman and the GMD;</li> <li>▪ Board operating practices;</li> <li>▪ Succession planning and talent management plans;</li> <li>▪ Policies and procedures on Board evaluation;</li> <li>▪ Board access to information, advice and training; and</li> <li>▪ Ethical standards, integrity, legal duties and confidentiality expected from the Directors.</li> </ul> <p>The Board periodically reviews the Board Charter and TOR of the Board Committees. The said documents were reviewed and approved by the Board in tail-end of 2018. The TORs of the RMSC and AIC were further revised in 2019 to refine the limits of authority of the RMSC, AIC and the Group Managing Director over certain specified matters. In 2020, the TOR of the AIC was further revised to enhance its oversight role relating to integrity and anti-corruption matters in conjunction with the coming into force of Section 17A of the Malaysian Anti-Corruption Act 2009. The Board also approved the TOR of the newly established MAC. The action items following the approval by the Board of the Management and Monitoring Framework for the Duopharma Biotech group on 22 February 2021 included the proposed review of the Board Charter, which is expected to be completed by Quarter 3 of 2021.</p>

	The Board Charter is available on the Company's corporate website at <a href="https://duopharmabiotech.com/about-us/corporate-governance/board-charter/">https://duopharmabiotech.com/about-us/corporate-governance/board-charter/</a>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board ensures that all businesses are in accordance with the prescribed legal and ethical standards. The Board, together with Senior Management, sets the tone and standards of integrity and compliance across the Company. As such, the Board has in place the Code of Conduct which outlines the set of values and expected standards of professional conduct.</p> <p>The Code of Conduct was formulated at the Group level and is based on the Group's six core values of Passion, Excellence, Teamwork, Integrity, Responsible and Respect ("PETIRR") as well as the Group's vision and mission. The Code of Conduct covers the following overarching areas:</p> <ul style="list-style-type: none"><li>▪ Conducting business ethically, fairly and with honesty;</li><li>▪ Complying with laws including abuse of power, corruption, insider trading and money laundering;</li><li>▪ Providing quality and safe products;</li><li>▪ Protecting the Company's assets and information;</li><li>▪ Maintaining complete and accurate business records; and</li><li>▪ Respecting others in the workplace and society.</li></ul> <p>In terms of governance structure and support, Group Internal Audit and Integrity was established as an independent function to assist the Board and AIC to develop and implement the Code of Conduct, pursuant to the directive by the Prime Minister for all Government-Linked Companies to set-up an Integrity and Governance Unit.</p> <p>In discharging its responsibilities, the Board is guided by the Code of Conduct and principles contained in the following internal policies and guidelines:</p> <ul style="list-style-type: none"><li>▪ Code of Conduct;</li><li>▪ Directors Code of Best Practice;</li><li>▪ Anti-Bribery &amp; Anti-Corruption Policy;</li><li>▪ Anti-Bribery Management System;</li></ul>

	<ul style="list-style-type: none"> <li>▪ Whistle-Blowing Policy;</li> <li>▪ Anti-Money Laundering &amp; Counter Financing Terrorism Policy;</li> <li>▪ Business Ethics Policy;</li> <li>▪ Declaration of Interest Policy;</li> <li>▪ Gifts &amp; Hospitality Policy;</li> <li>▪ Honorarium Guidelines;</li> <li>▪ Integrity Pact Policy;</li> <li>▪ Investigation Procedure; and</li> <li>▪ Sponsorship Policy.</li> </ul> <p>Feedback is sought from various stakeholders, including Senior Management and the Board to evaluate the effectiveness of the compliance programme and initiative.</p> <p>The guidelines listed is available on the Company’s corporate website at <a href="https://duopharmabiotech.com/about-us/corporate-governance">https://duopharmabiotech.com/about-us/corporate-governance</a></p> <p>The Code of Conduct is made available on the Company’s website at <a href="https://duopharmabiotech.com/code-of-conduct/">https://duopharmabiotech.com/code-of-conduct/</a> and subjected to periodic reviews to ensure it is kept current and relevant.</p>
<b>Explanation for departure</b> :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has in place the Whistleblowing Policy which provides a framework to encourage and support employees and other stakeholders to report bona-fide concerns in relation to the breach of legal obligations, miscarriages of justice, danger to health and safety or to the environment and the cover-up of any of said practice in the workplace. The Whistleblowing Policy makes it clear that concerns can be raised without fear of victimisation, recrimination, discrimination or disadvantage to the employee or stakeholder that reports the concerns.</p> <p>Reports from whistleblowers are treated with utmost confidentiality and are thoroughly investigated. The AIC provides oversight on any investigations undertaken and their outcomes. Concerns can also be further taken to the Chairman, the Malaysian Anti-Corruption Commission (“MACC”) or other relevant authorities.</p> <p>The Company makes available whistleblowing avenues to its Business Associates made available through the corporate website. As a key requirement for the MS ISO 37001:2016 accreditation, the Company communicates with all Business Associates on its available Whistleblowing channels during the Integrity Briefing Sessions. In 2020, all non-compliance complaints received via the whistleblowing system were investigated and actions have been taken, when necessary. Below are Duopharma Biotech’s Whistleblowing channels:</p> <ul style="list-style-type: none"><li>▪ In writing to the Head of Group Internal Audit &amp; Integrity;</li><li>▪ Official Email for Whistleblowing at seehearspeakup@gmail.com;</li><li>▪ Official Whistleblowing line [by call or Short Message Service (SMS)] at +6017-2941094;</li></ul> <p>Official Secured Website Whistleblowing Form at <a href="https://duopharmabiotech.com/about-us/policy-and-procedure/integrity-policies/whistle-blowing-policy/duopharma-biotech-whistle-blowing-speak-up-pharma/">https://duopharmabiotech.com/about-us/policy-and-procedure/integrity-policies/whistle-blowing-policy/duopharma-biotech-whistle-blowing-speak-up-pharma/</a></p> <ul style="list-style-type: none"><li>• In writing to the Chairman of the Company;</li><li>• In writing to the Chairman of the AIC of the Company;</li><li>• MACC or relevant authority.</li></ul>

	<p>Employees and external stakeholders such as suppliers, customers and contractors may use the procedures set out in the Whistleblowing Policy to report any concern or complaint regarding questionable accounting or auditing matters, internal controls, disclosure matters, conflict of interest, insider trading, collusion with competitors, serious breaches of the Group's policy, unsafe work practices or any other matters involving fraud, corruption and employee misconduct.</p> <p>As required under the directive issued by the Prime Minister, the information on Whistleblowing cases was also reported to the Agency Integrity Management of MACC on a half yearly basis.</p> <p>The Whistleblowing policy is made available on the Company's website at <a href="https://duopharmabiotech.com/about-us/policy-and-procedure/integrity-policies/whistle-blowing-policy/whistleblowing-policy/">https:// duopharmabiotech.com/about-us/policy-and-procedure/integrity-policies/whistle-blowing-policy/whistleblowing-policy/</a></p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 4.1**

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board comprises nine (9) Directors, the majority of whom are Independent Directors.</p> <p>The Chairman is a Non-Independent Non-Executive Director, six (6) Directors are Independent Non-Executive Directors (“INEDs”), and two (2) others are Non-Independent Directors, including the GMD, an Executive Director.</p> <p>The Board has appointed a Senior Independent Director, namely Dato’ Mohamad Kamarudin Bin Hassan. As the Senior Independent Director, Dato’ Mohamad Kamarudin Bin Hassan, serves as a sounding board to the Chairman and acts as an intermediary for Independent Directors when necessary.</p> <p>The presence of the Senior Independent Director provides an additional outlet for Independent Directors to voice any opinions or concerns that they believe have not been properly considered or addressed by the Board or which they feel may be not be appropriate to raise in open forum.</p> <p>Independent Directors constitute 67% of the Board which allows for objective and independent deliberation review and decision-making. This goes beyond the requirement prescribed in Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”).</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 4.2**

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Not applicable - Step Up 4.3 adopted	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

<b>Application</b>	:	Adopted								
<b>Explanation on adoption of the practice</b>	:	<p>The Board recognises that extended tenure may give rise to Independent Directors having a close relationship with the Board and Management and thus, becoming too sympathetic to their interests or too accepting of their work. As at 31 March 2021, none of the INEDs had exceeded the nine (9) years tenure.</p> <p>As such, the Board Charter clearly states that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. As of 31 March 2021, the tenure of INEDs are as follows</p> <table border="1"><thead><tr><th>Years of Service</th><th>Number of INEDs</th></tr></thead><tbody><tr><td>Less than 3 years</td><td>1</td></tr><tr><td>3 years to 6 years</td><td>4</td></tr><tr><td>6 years to 9 years</td><td>1</td></tr></tbody></table> <p>The policy is outlined in the Board Charter which is available on the Company's website.</p>	Years of Service	Number of INEDs	Less than 3 years	1	3 years to 6 years	4	6 years to 9 years	1
Years of Service	Number of INEDs									
Less than 3 years	1									
3 years to 6 years	4									
6 years to 9 years	1									

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 4.4

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

<b>Application</b>	: Applied																	
<b>Explanation on application of the practice</b>	<p>The Board views diversity principles as an integral component for the long-term success of the Company. As such, the Board together with the NRC undertakes periodic reviews of the Board composition taking into account current diversity in skillset, experience, age, ethnicity and nationality of the existing Board.</p> <p>The Board strongly believes that reinforcing the diversity aspect of its composition will enrich the Board’s discussion with a breadth of perspectives and cognitive variety, thus, averting blind spots or group think during deliberations.</p> <p>The Board has in place a formal and transparent procedures for the appointment of new Directors which is reflected in the Board Nomination and Selection Procedure. The Board Nomination and Selection Procedure outlines the skill sets, knowledge and experience, mindset and core values that is required in a potential candidate for directorships in the Company.</p> <p>Candidates are proposed by either existing Board members, via searches performed by the Company or sourced through networks of various parties. The Company adopts a meritocracy system which does not discriminate on the grounds of gender, age and ethnicity. The diversity in the age and gender of the Board as at 31 March 2021 is as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">Age Group</th> <th colspan="2">Gender</th> </tr> <tr> <th>50-59</th> <th>60-65</th> <th>66-70</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td><b>Number of Directors</b></td> <td>11.1%</td> <td>44.4%</td> <td>44.4%</td> <td>66.7%</td> <td>33.3%</td> </tr> </tbody> </table> <p>The Board is currently made up of members with a mix of skill sets, knowledge and experience (i.e. pharmaceutical, medicine, healthcare, civil sector, business development, legal, banking, finance, economics and investment).</p> <p>The NRC is also responsible to review the key management positions identified as pivotal positions and it may, if deemed fit, to review any other positions that are deemed strategic for the Company.</p> <p>The appointment of Senior Management is also based on a set of predetermined criteria covering a diverse set of skills and experience.</p>		Age Group			Gender		50-59	60-65	66-70	Male	Female	<b>Number of Directors</b>	11.1%	44.4%	44.4%	66.7%	33.3%
	Age Group			Gender														
	50-59	60-65	66-70	Male	Female													
<b>Number of Directors</b>	11.1%	44.4%	44.4%	66.7%	33.3%													

Duopharma Biotech also has representation of female candidates at the Senior Management level. This includes, among others, the Chief Technical Officer who is a member of the Group Management Committee, and the Head of the Group Risk Management Department. Based on the aforesaid disclosure, there is a 25% representation of females at the Senior Management level. Their detailed particulars are provided in the Annual Report 2020.

The ethnic demographics within the Group roughly mirrors that of the country's population, with 65.67% Bumiputera, 15.26% Chinese and 13.84% Indian employees, reflecting the Company's approach to diversity and inclusivity. In recruiting and according promotions, a candidate's potential is judged by his or her individual merit and not gender. Women make up roughly 51.3% of mid-senior management. This number reflects Duopharma Biotech's gender inclusivity and recognition based on merit.

Further information on the Board composition in terms of board tenure, board balance, gender diversity, experience and significant strengths can be found in the Corporate Governance Overview Statement in the Annual Report 2020. Details on the appointment, assessment, and re-election of Directors are also provided within the same section.

The Senior Management profiles are as follows:

	Race/Ethnicity			Nationality	
	Malay	Chinese	Indian	Malaysian	Foreigner
<b>Number of Senior Management</b>	5	2	2	8	1

	Race/Age Group		
	35-45	46-55	56-60
<b>Number of Senior Management</b>	1	7	1

The succession plan for the Senior Management is also reviewed by the NRC prior to it being presented to the Board. The said appointment is also based on merit and leadership skills, with due regard for diversity in skills, experience, age, ethnicity/cultural background and gender. It also takes into account the challenges and opportunities facing the Group as well as future skills and expertise needed to allow the Group to compete effectively in its market.

<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board embraces diversity in the facet of gender and has achieved the 30% target. As stipulated in paragraph 4.1.1 of Duopharma Biotech's Board Charter, the Board shall comprise at least 30% women Directors. This policy stipulation is in line with policy pronouncement by the government of having 30% women directors in corporate Malaysia.</p> <p>Notwithstanding the above, the Board maintains its belief that appointment on the Board must always be based on diversity in the skills, experience, age, cultural background and whether such appointment would further enhance the existing mix of skill and experience of the Board.</p> <p>Currently, the Board has a female Non- Independent Non-Executive Chairman, Tan Sri Datin Paduka Siti Sa'diah binti Sh Bakir, who has been a Director since 28 December 2017. Duopharma Biotech remains as one of the few Malaysia listed issuers with a female Non-Executive Director as Board Chairperson. The Board acknowledges the benefits of having participation of women on the Board in terms of providing different perspectives and insights for effective decision making.</p> <p>In addition to disclosure in the Company's annual report on gender diversity, the Company has also reported on gender diversity in its Sustainability Report for the financial year ended 31 December 2020.</p> <p>Both the Annual Report 2020 and the Sustainability Report for the financial year ended 31 December 2020 may be accessed at the Company's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
------------------	---	--	--

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 4.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC is responsible for recommending suitable candidates for directorships to the Board. In undertaking this responsibility, the NRC leverages several sources to ‘cast a wider net’ and gain access to a wide pool of potential candidates.</p> <p>Directors’ network and referrals from Senior Management and Duopharma Biotech’s major shareholders form the primary means for sourcing of candidates. These methods have, in the past, produce tangibly noteworthy results in identifying candidates who are of high-calibre and at the same time have a sound understanding of Duopharma Biotech’s business and the pharmaceutical industry.</p> <p>In addition to the above, the NRC additionally have the option of utilising independent search firms and consultants to identify a wider pool of potential candidates. Potential candidates are screened against the criteria outlined in the Group’s Board Nomination and Selection Procedure and interviewed by the NRC. The shortlisted candidates are then tabled to Board for recommendation.</p> <p>Evaluation of candidates including the review of resumes, reference checks and interviews are based on the criteria established in Paragraph 2.20A of the MMLR. The NRC will then recommend candidates to the Board for further consideration.</p> <p>In order to ensure that Directors have sufficient time to fulfil their roles and responsibilities effectively, the criterion as agreed by the Board for determining candidates for the pool of potential Directors is to limit the individual Directors to not more than five (5) directorships on listed issuers as prescribed in paragraph 15.06 of the MMLR.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
------------------	---	--	--

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 4.7**

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The NRC is chaired by the Senior Independent Director, Dato' Mohamad Kamarudin Bin Hassan.</p> <p>The Board understands that an effective recruitment and evaluation process of Directors is the building block of a high-performing Board. The Board therefore believes that the Senior Independent Director is the most suitable and qualified person to lead the conduct of the process in an objective manner.</p> <p>Given that the Senior Independent Director acts as a confidant to other Directors, he is well-placed to oversee the assessment of the Board's Chairman, taking into account a broad range of perspectives. The Senior Independent Director also leads the necessary conversations around succession planning, particularly for the Chairman and the GMD.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

### Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has in place an annual Board Evaluation Assessment (“BEA”) to evaluate the effectiveness of the Board, Board Committees as well as individual Directors. The primary objective of the exercise is to understand issues that warrant greater focus and identify improvement considerations. The NRC undertook the responsibility of providing oversight on the conduct of the BEA as well as reviewing the outcome of the BEA along with the Chairman.</p> <p>During the year under review, the BEA was conducted in-house premised on the assessment criteria that have taken into account relevant regulatory promulgations, guidelines and better practices. The process was carried out via an updated BEA questionnaires administered to the Directors, using a self and peer rating model. The platform of the BEA exercise was conducted online via Duopharma Biotech’s domain platform so as to ensure confidentiality was maintained throughout the entire exercise, and as part of the Group’s digitalisation effort and reduction of carbon footprint through less usage of paper. The BEA criteria are based on the following overarching components:</p> <ul style="list-style-type: none"><li>(a) Structuring a high-performing Board;</li><li>(b) Ensuring smooth functioning of the Board’s operations and interactions; and</li><li>(c) Fulfilling fundamental Board roles and responsibilities at highest standards of corporate governance.</li></ul> <p>Taking into consideration the developments in the public sphere, the BEA questionnaire for 2020 also included questions related to sustainability and strategy as the Board felt that these were particularly pertinent amidst the Covid-19 pandemic.</p> <p>In February 2021, the Board resolved to adopt the results of the BEA for financial year ended 31 December 2020 (“BEA 2020”) as recommended by the NRC. The results generally reflected an overall “Excellent” or “Good” for all sections. The leadership of the Chairman of the Board in Assessment Topic 2 (Directors’ Self and Peer Assessment) received “Excellent” feedback.</p>

	<p>The assessment of the GMD remained above average. The BEA 2020 also highlighted that all INEDs passed the Assessment Topic 3 which assessed their tenure length, relationship with major shareholders and cross-directorships.</p> <p>As for individual Board Committees, the BEA 2020 highlighted that members of each committee had performed “Excellent” or “Good” in different areas of the assessments which includes skills, competencies and professional development.</p> <p>As to enhance the Company’s preparations for the corporate liability provision under Section 17A of the MACC Act 2009, the Board identified areas of improvement for the reporting structure of ethical breaches as to ensure the Board is well informed on the necessary mitigation measures.</p> <p>Based on the outcome of the BEA 2020, the Board concluded that:</p> <ul style="list-style-type: none"> <li>(a) All areas of the BEA had overwhelming positive score/result;</li> <li>(b) INEDs continued to satisfy the test of independence; and</li> <li>(c) Duopharma Biotech’s Board of Directors and Board Committees are well structured with effective operations and had fulfilled its roles and responsibilities.</li> </ul> <p>In transitioning into the FTSE Bursa Malaysia Top 100 Index, the Board intends to engage periodically independent experts to facilitate objective and candid board evaluations.</p>	
<p><b>Explanation for departure</b></p>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	:	
<p><b>Timeframe</b></p>	:	

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 6.1

The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Duopharma Biotech has in place a remuneration framework which covers the remuneration policy and procedures for Directors and Senior Management.</p> <p>The Remuneration Policy and Procedures are formulated based on the following overarching objectives:</p> <ul style="list-style-type: none"><li>▪ To ensure that the remuneration packages are robust and competitive to retain and attract the best talents in line with the long-term strategy and risk appetite of Duopharma Biotech; and</li><li>▪ To ensure the remuneration packages are commensurate with the Directors and Senior Management team members' responsibilities, time commitment, experience, expertise, complexity of the Company's activities and industry norms.</li></ul> <p>The remuneration philosophy is premised on the need to have an adequate level of remuneration to attract and retain Directors and Senior Management personnel of high calibre and talent. The remuneration packages for the GMD, who is the sole Executive Director and other Senior Management personnel are structured in a way that links rewards to corporate and individual performance.</p> <p>As for Non-Executive Directors, the remuneration packages are structured such that their independence and objectivity are not impaired. The remuneration level for Non-Executive Directors reflects their responsibility and position on the Board and Board Committees, attendance and any special skills or expertise that they bring to the Board.</p> <p>The Directors and Senior Management remuneration policies are periodically reviewed to align with the prevalent market practices and trends. Cognisant of the economic impact of the COVID-19 pandemic, the Board has opted to retain the remuneration packages for the Board and Senior Management.</p>

	<p>During the year under review, the Board has reviewed the Key Performance Indicators of Senior Management to align with the developments in the healthcare industry.</p> <p>The Policy and Procedures on the Remuneration for Directors and Senior Management is made available on the Company's website at: <a href="https://duopharmabiotech.com/about-us/policy-and-procedure/policy-and-procedures-on-the-remuneration-for-directors-and-senior-management/">https://duopharmabiotech.com/about-us/policy-and-procedure/policy-and-procedures-on-the-remuneration-for-directors-and-senior-management/</a></p>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 6.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board currently has a combined Committee for nomination and remuneration named as the Nomination and Remuneration Committee ("NRC"). The current Chairman of the NRC is the Senior Independent Director.</p> <p>As the matters relating to nomination and remuneration are often intertwined, the Board is of the view that it may be synergistic to have a combined Committee rather than stand-alone committees. The combined NRC accords sufficient attention on matters relating to remuneration of Directors and Senior Management. In developing the agenda, the NRC Chairman, in consultation with the Company Secretary ensures that the balance of discussions is not tilted unfavourably against remuneration-related matters.</p> <p>This observation is corroborated with assessments conducted during the year and the previous years which revealed that having a combined NRC does not hinder it from according adequate time and attention on both remuneration and nomination matters. Members of the NRC also have the expertise to deal with both nomination and also remuneration matters.</p> <p>During the year under review, the Board has discharged its responsibilities to seek approval for fees and benefits for Directors by members at the AGM in accordance to Section 230 (1) of the Companies Act 2006. The shareholders of Duopharma Biotech had at the Company's 19<sup>th</sup> AGM held on 17 June 2020, approved two (2) resolutions in relation to the payment of Director's fees and payment of Director's remuneration (excluding fees).</p> <p>Remuneration packages for Non-Executive Directors reflect their time commitment (including meeting attendance) and responsibilities which</p>

	<p>amongst other encompass membership occupancy of Board Committees.</p> <p>As for the GMD and other Senior Management personnel, the remuneration packages have been structured to reflect their responsibilities and link rewards to corporate and individual performance. The said nexus to corporate and individual performance is affected through the element of performance bonus. Duopharma Biotech accords performance-based bonus anchored on key performance indicators to attract and retain high calibre talents in the industry.</p> <p>The NRC has a TOR which outlines its duties and responsibilities (including providing oversight on remuneration policies and procedures). The TOR is made available on the Company's website.</p>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### Practice 7.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	Applied																																																																																						
<b>Explanation on application of the practice</b>	<p>In tandem with the Company's aspirations to observe the highest standards of corporate governance, Duopharma Biotech has disclosed respective Directors' remuneration on a named basis and by exact amount. The Board strives to ensure that information pertaining to Directors' remuneration is made transparent and accessible to shareholders and other stakeholders.</p> <p>The details for the remuneration of Directors for the financial year ended 31 December 2020 for the Group of the Company are as follows:-</p> <table border="1"> <thead> <tr> <th colspan="2">Executive Director</th> <th>Fixed Salary</th> <th>Variable Bonus</th> <th>Other Emoluments</th> <th>Benefits in-kind</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Leonard Ariff bin Abdul Shatar</td> <td>Group</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Company</td> <td>924,000.00</td> <td>490,875.00</td> <td>429,411.47</td> <td>7,897.00</td> <td>1,852,183.47</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">Non-Executive Directors</th> <th>Directors' Fees</th> <th>Committee Fees</th> <th>Meeting Allowances</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Tan Sri Datin Paduka Siti Sa'diah binti Sh Bakir</td> <td>Group</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Company</td> <td>100,000</td> <td>8,000</td> <td>30,400</td> <td>138,400</td> </tr> <tr> <td rowspan="2">Dato' Mohd Kamarudin bin Hassan</td> <td>Group</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Company</td> <td>75,000</td> <td>18,000</td> <td>34,400</td> <td>127,400</td> </tr> <tr> <td rowspan="2">Razalee bin Amin</td> <td>Group</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Company</td> <td>75,000</td> <td>10,000</td> <td>27,400</td> <td>112,400</td> </tr> <tr> <td rowspan="2">Zaiton binti Jamaluddin</td> <td>Group</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Company</td> <td>75,000</td> <td>16,000</td> <td>33,000</td> <td>124,000</td> </tr> <tr> <td rowspan="2">Dato' Eisah binti A. Rahman</td> <td>Group</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Company</td> <td>75,000</td> <td>24,000</td> <td>37,000</td> <td>136,000</td> </tr> </tbody> </table>						Executive Director		Fixed Salary	Variable Bonus	Other Emoluments	Benefits in-kind	Total	Leonard Ariff bin Abdul Shatar	Group	-	-	-	-	-	Company	924,000.00	490,875.00	429,411.47	7,897.00	1,852,183.47	Non-Executive Directors		Directors' Fees	Committee Fees	Meeting Allowances	Total	Tan Sri Datin Paduka Siti Sa'diah binti Sh Bakir	Group	-	-	-	-	Company	100,000	8,000	30,400	138,400	Dato' Mohd Kamarudin bin Hassan	Group	-	-	-	-	Company	75,000	18,000	34,400	127,400	Razalee bin Amin	Group	-	-	-	-	Company	75,000	10,000	27,400	112,400	Zaiton binti Jamaluddin	Group	-	-	-	-	Company	75,000	16,000	33,000	124,000	Dato' Eisah binti A. Rahman	Group	-	-	-	-	Company	75,000	24,000	37,000	136,000
Executive Director		Fixed Salary	Variable Bonus	Other Emoluments	Benefits in-kind	Total																																																																																	
Leonard Ariff bin Abdul Shatar	Group	-	-	-	-	-																																																																																	
	Company	924,000.00	490,875.00	429,411.47	7,897.00	1,852,183.47																																																																																	
Non-Executive Directors		Directors' Fees	Committee Fees	Meeting Allowances	Total																																																																																		
Tan Sri Datin Paduka Siti Sa'diah binti Sh Bakir	Group	-	-	-	-																																																																																		
	Company	100,000	8,000	30,400	138,400																																																																																		
Dato' Mohd Kamarudin bin Hassan	Group	-	-	-	-																																																																																		
	Company	75,000	18,000	34,400	127,400																																																																																		
Razalee bin Amin	Group	-	-	-	-																																																																																		
	Company	75,000	10,000	27,400	112,400																																																																																		
Zaiton binti Jamaluddin	Group	-	-	-	-																																																																																		
	Company	75,000	16,000	33,000	124,000																																																																																		
Dato' Eisah binti A. Rahman	Group	-	-	-	-																																																																																		
	Company	75,000	24,000	37,000	136,000																																																																																		

	Datuk Nik Moustpha bin Hj Nik Hassan	Group	-	-	-	-	
		Company	75,000	10,000	22,800	107,800	
	Datuk Mohd Radzif bin Mohd Yunus	Group	-	-	-	-	
		Company	75,000	18,000	30,400	123,400	
	Dato' Dr. Zaki Morad bin Mohamad Zaher	Group	-	-	-	-	
		Company	75,000	1,666.66	20,200	96,866.66	
			<b>Total Remuneration (RM)</b>				
	Executive Director		1,852,183.47				
	Non-Executive Directors		966,266.66				
	<b>Total</b>		<b>2,818,450.13</b>				
	As enumerated in Section 233(1) of Companies Act 2016, the service contracts of Directors are also made available for inspection by major shareholders upon request and any details of remuneration in those contracts are, therefore, accessible.						
	<b>Explanation for departure</b>						
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>							
<b>Measure</b>							
<b>Timeframe</b>							

### Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### Practice 7.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b> :	Applied																																											
<b>Explanation on application of the practice</b> :	<p>The Company has decided to disclose over and above that recommended by Practice 7.2 by disclosing the remuneration of the following nine (9) Senior Management personnel. The profiles of the said Senior Management personnel (other than Mr Urudra A/L N. Sarvanantham who has retired) can be found on pages 39 to 42 of the Company's Annual Report.</p> <p>The total remuneration of the Senior Management personnel (other than the GMD) in respect of financial year 2020 on a named basis in bands of RM50,000 are as set out below: -</p>																																											
	<table border="1"> <thead> <tr> <th rowspan="2">Senior Management</th> <th rowspan="2">Designation</th> <th rowspan="2">Total Remuneration per annum (RM)</th> <th colspan="3">Composition breakdown</th> </tr> <tr> <th>Fixed salary (%)</th> <th>Variable Performance Bonus and Other Emoluments<sup>2</sup> (%)</th> <th>Benefits in-kind (%)</th> </tr> </thead> <tbody> <tr> <td>Urudra A/L N. Sarvanantham<sup>1</sup></td> <td>Chief Development Officer</td> <td>950,000 – 1,000,000</td> <td>52.4</td> <td>46.4</td> <td>1.2</td> </tr> <tr> <td>Chek Wu Kong</td> <td>Chief Financial Officer</td> <td>750,000 – 800,000</td> <td>56.7</td> <td>42.0</td> <td>1.3</td> </tr> <tr> <td>Wan Amir-Jeffery bin Wan Abdul Majid</td> <td>Chief Operating Officer</td> <td>750,000 – 800,000</td> <td>56.0</td> <td>43.6</td> <td>0.4</td> </tr> <tr> <td>Krisnakumara-Reddi A/L Kesava-Reddi</td> <td>Chief Manufacturing Officer</td> <td>700,000 – 750,000</td> <td>57.4</td> <td>41.9</td> <td>0.7</td> </tr> <tr> <td>Ng Su Yee</td> <td>Chief Technical Officer</td> <td>650,000 – 700,000</td> <td>58.4</td> <td>40.9</td> <td>0.7</td> </tr> </tbody> </table>					Senior Management	Designation	Total Remuneration per annum (RM)	Composition breakdown			Fixed salary (%)	Variable Performance Bonus and Other Emoluments <sup>2</sup> (%)	Benefits in-kind (%)	Urudra A/L N. Sarvanantham <sup>1</sup>	Chief Development Officer	950,000 – 1,000,000	52.4	46.4	1.2	Chek Wu Kong	Chief Financial Officer	750,000 – 800,000	56.7	42.0	1.3	Wan Amir-Jeffery bin Wan Abdul Majid	Chief Operating Officer	750,000 – 800,000	56.0	43.6	0.4	Krisnakumara-Reddi A/L Kesava-Reddi	Chief Manufacturing Officer	700,000 – 750,000	57.4	41.9	0.7	Ng Su Yee	Chief Technical Officer	650,000 – 700,000	58.4	40.9	0.7
Senior Management	Designation	Total Remuneration per annum (RM)	Composition breakdown																																									
			Fixed salary (%)	Variable Performance Bonus and Other Emoluments <sup>2</sup> (%)	Benefits in-kind (%)																																							
Urudra A/L N. Sarvanantham <sup>1</sup>	Chief Development Officer	950,000 – 1,000,000	52.4	46.4	1.2																																							
Chek Wu Kong	Chief Financial Officer	750,000 – 800,000	56.7	42.0	1.3																																							
Wan Amir-Jeffery bin Wan Abdul Majid	Chief Operating Officer	750,000 – 800,000	56.0	43.6	0.4																																							
Krisnakumara-Reddi A/L Kesava-Reddi	Chief Manufacturing Officer	700,000 – 750,000	57.4	41.9	0.7																																							
Ng Su Yee	Chief Technical Officer	650,000 – 700,000	58.4	40.9	0.7																																							

	Shamsul Idham bin A.lahad	Chief Executive Officer, Duopharma Consumer Healthcare Sdn. Bhd.	650,000 – 700,000	54.7	42.8	2.5
	Ibrahim Hussin Salleh	Chief Legal Officer	600,000-650,000	57.1	41.9	1.0
	Anita binti Esa	Head, Group Risk Management	350,000-400,000	65.2	34.8	0.0
	Rama Sockalingam Nagappan	Head, Group Internal Audit & Integrity	250,000-300,000	62.4	36.4	1.2
	<p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>1. Mr. Urudra A/L N. Sarvanantham retired on 21 October 2020; and</li> <li>2. Other emoluments include allowances, insurance, Employees Provident Fund and other statutory contributions.</li> </ol> <p>The GMD remuneration is disclosed under the disclosure on Directors' remuneration under Practice 7.1 above, which is made on a named-basis and includes a breakdown of remuneration into salary, bonus, benefits-in-kind and other emoluments.</p>					
<b>Explanation :</b>	<b>for departure</b>					
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>						
<b>Measure :</b>						
<b>Timeframe :</b>						

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 7.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 8.1**

The Chairman of the Audit Committee is not the Chairman of the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AIC is chaired by Encik Razalee bin Amin, an Independent Non-Executive Director whilst the Chairman of the Board is Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir. The practice of demarcating the chairmanship of the Board and AIC has been codified in the TOR of the AIC.</p> <p>Having the positions of Board Chairman and Chairman of the AIC assumed by different individuals allows the Board to objectively review the AIC's findings and recommendations.</p> <p>Encik Razalee is an accountant with qualifications from the Malaysian Institute of Certified Public Accountants and a postgraduate Diploma in Accounting from the University of Malaya. Encik Razalee possesses significant professional experience as an accountant, having established his own Chartered Accountant firm. He is also a member of the Malaysian Institute of Accountants.</p> <p>The possession of sound financial understanding and experience equips the Chairman of the AIC with the ability to lead discussions and deliberations and ultimately be satisfied that the end result fairly reflects the understanding of the AIC.</p> <p>The duties and responsibilities of the Chairman of the AIC are outlined in its TOR, which is available on the Company's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 8.2**

The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As a measure to safeguard the independence and objectivity of the audit process, the AIC has incorporated a policy stipulation that governs the appointment of a former key audit partner to the AIC.</p> <p>The policy, which is codified in the AIC's TOR, requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a Director (including a member of the AIC) or as an employee of the Company.</p> <p>The TOR of the AIC is available on the Company's website at</p> <p>To date, Duopharma Biotech has not appointed any former key audit partners either as a Director or an employee of Duopharma Biotech.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

### Practice 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's relationship with the external auditors is primarily maintained through the AIC, guided by the principles of the MCCG. The AIC is responsible for assessing the capabilities and independence of the external auditor and to make subsequent recommendations to the Board on the appointment, re-appointment or termination of the external auditor. The TOR of the AIC was established with reference to Chapter 15 of the MMLR, Part 9 – Audit Committee.</p> <p>During the financial year, the AIC has monitored and reviewed the performance and independence of the external auditor, namely, KPMG PLT and satisfied itself that the external auditor has been independent throughout the conduct of the audit process and the audit services rendered have met the quality expected by the Committee and the Company. The evaluation on the external auditor was conducted by the AIC in October 2020 and subsequently presented to the Board in November 2020.</p> <p>Paragraph 15.21 of the MMLR also required that AIC to consider the following for the appointment of external auditor.</p> <ul style="list-style-type: none"><li>▪ the adequacy of the experience and resources of the accounting firm;</li><li>▪ the persons assigned to the audit;</li><li>▪ the accounting firm's audit engagements;</li><li>▪ the size and complexity of the listed issuer's group being audited; and</li><li>▪ the number and experience of supervisory and professional staff assigned to the particular audit.</li></ul> <p>The assessment by the AIC is supplemented by feedback gathered from senior finance personnel across Duopharma Biotech, focusing on a range of factors that the AIC considers as relevant to audit quality. For the audit of the financial year ended 31 December 2020, KPMG PLT has also provided the AIC with a written assurance confirming that its personnel were and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. Prior the commencement of the external audit engagement, KPMG PLT also presented its external</p>

	<p>audit plan which outlines the bases and approach for the work to be undertaken</p> <p>The AIC has also taken into consideration the nature and extent of the non-audit services rendered and the appropriateness of the level of fees. Provisions of non-audit services by the external auditor, KPMG PLT were reviewed to ascertain whether such provision of services would impair the external auditor’s objectivity. Disclosure on the nature and extent of non-audit services are made in the Notes to the Financial Statements, Annual Report.</p> <p>Pursuant to the assessment on the suitability and independence of the external auditor, the AIC made its recommendation to the Board on the re-appointment of the external auditor alongside the accompanying audit fees. During the financial year under review, a new audit partner from KPMG PLT was tasked to the lead audit engagement.</p> <p>The process of reviewing independence of the external auditor is governed by the Policy on External Auditor, as approved by the Board. The Policy on External Auditor was reviewed by the AIC and the Board during the year under review and amended to provide that the external audit firm responsible for external audit of the Group is subject to change to a different external audit firm at least every five (5) financial years commencing from financial year 2021.</p>	
<p><b>Explanation for departure</b></p>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	:	
<p><b>Timeframe</b></p>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 8.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The AIC currently comprises solely of Independent Directors, namely, Encik Razalee bin Amin, Dato' Mohamad Kamarudin bin Hassan and Puan Zaiton binti Jamaluddin. Encik Razalee bin Amin is the Chairman of the AIC.</p> <p>The Board is cognisant that independence is the cornerstone of a well-functioning audit committee. Further, an audit committee that can critically and objectively apply a probing view on pertinent matters is key to safeguarding the Company's audit and financial reporting process.</p> <p>The Board expects the AIC members to demonstrate professional scepticism, vigilance and moral courage when undertaking their responsibilities.</p>

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

### Practice 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AIC comprises three (3) Independent Non-Executive Directors, namely, Encik Razalee bin Amin (Chairman of the AIC and Independent Non-Executive Director), Dato' Mohamad Kamarudin bin Hassan (Senior Independent Non-Executive Director) and Puan Zaiton binti Jamaluddin (Independent Non-Executive Director). All members of the AIC are financially literate and have carried out their duties in accordance with the TOR of the AIC.</p> <p>The review of the composition of the AIC is conducted annually in accordance with paragraph 15.20 of the MMLR. The composition of the AIC allows it to possess a range of skills and the requisite financial literacy to discharge its duties effectively. Encik Razalee is an accountant by profession and a member of the Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA), thus fulfilling paragraph 15.09(1)(c) of the MMLR which calls for one member of the audit committee to be a member of a professional accountancy body.</p> <p>Dato' Mohamad Kamarudin has a Master of Business Administration with a Major in Finance as well as extensive professional experience in International Trade and Economic sectors. Puan Zaiton has a Master of Business Administration and has over 20 years of professional experience in the healthcare and pharmaceutical industry. Her background provides the AIC with valuable input on the pharmaceutical industry and the operational drivers which are impacting the financial performance of Duopharma Biotech.</p> <p>Directors apply a critical view of the Company's financial reporting process and information and to effectively challenge and ask probing questions to the Management on the Company's financials to ascertain whether the financial reporting reflects the Company's operations and performance.</p>

	<p>All members attend the relevant trainings and continuous professional development programmes to keep themselves abreast of the latest developments in accounting and auditing standards, practices and rules. Further, in the event of changes to or adoption of new provisions of the Malaysian Financial Reporting Standards (MFRS), members would be briefed on such matters by KPMG PLT, the Company's external auditors.</p> <p>Based on the outcome of the AIC effectiveness assessment of the BEA exercise, the Board is satisfied with the AIC's performance and its Chairman and members possess the necessary knowledge, experience, expertise and skills which contributed to the overall effectiveness of the AIC.</p> <p>AIC members are vigilant, exercise professional scepticism and constantly apply a probing view to challenge Management's assertions on the Company's financials.</p>	
<b>Explanation for departure</b>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>		
<b>Timeframe</b>		

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 9.1

The board should establish an effective risk management and internal control framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Risk management is an essential part of corporate governance and it is firmly embedded in the Group's key processes through its Risk Management Framework. The Board is responsible for ensuring that the framework internal control systems are maintained, while Management ensures the sufficient and effective operational controls over the key business processes are properly implemented with regular review and update. In order to assist its oversight functions on risk management and internal control framework, the Board is supported by the RMSC.</p> <p>The Board, through the RMSC determines the Group's level of risk tolerance and actively identifies, assesses and monitors key business risks to safeguard Duopharma Biotech's businesses. The Group has adopted an Enterprise Risk Management framework, which is grounded on its Risk Management and Manual Guidelines, which in turn is aligned to the better practices outlined in the International Organisation for Standardisation (ISO) 31000:2009, an internationally recognised framework for managing risks.</p> <p>Furthermore, the Board has strengthened its internal control systems by refining the Group's Anti-Bribery Management System ("ABMS") to align with international standards. In tandem with this measure, Duopharma Biotech received the MS ISO 37001:2016 accreditation which showcase the Board's commitment to ensuring an ethical culture across the Group.</p> <p>The Board through the RMSC performs periodic reviews and closely monitors the resilience of the risk management and internal control framework to ensure its adequacy and effectiveness. The Group Risk Management Department facilitates the risk management review exercise across the Group and reports its activities and makes appropriate recommendations to the RMSC.</p> <p>The internal control mechanism established by the Group is embedded within the organisation structure across all its processes. The internal control system is independently reviewed by the Group Internal Audit (GIA) based on the annual audit plan for an assessment on adequacy and effectiveness.</p>

	<p>The Management is tasked to identify, analyse, evaluate and treat the risks associated to the business and operations of the Group and is responsible for designing effective internal control measures and formulating mitigation strategies.</p> <p>All employees of the Group are responsible for managing risks within their respective areas of responsibilities. An ongoing process to identify, assess, respond, monitor and report significant risks that may affect the achievement of the Group’s business objectives is in place. Risks faced by the business are identified and evaluated based on the likelihood and potential impact of each risk, and where necessary, actions to mitigate the risks.</p> <p>Further details of the Duopharma Biotech’s Risk Management and Internal Control Framework can be found under the Statement on Risk Management and Internal Controls (“SORMIC”) in the Annual Report 2020.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

## Practice 9.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Annual Report 2020 contains the SORMIC which provides a comprehensive overview of the key elements of Duopharma Biotech's risk management and internal control systems including assignment of authority and responsibility, planning, monitoring and reporting procedures, policies as well as business continuity.</p> <p>The SORMIC also outlines the differentiated roles and functions held by the different clusters within Duopharma Biotech in maintaining the risk management and internal control systems.</p> <p>In tandem with the growing complexities in the marketplace, the Board had instituted a RMSC to devote more focus and attention on existing and emerging risks facing Duopharma Biotech. The amalgamated RMSC has also enabled the Board to deliberate on sustainability related risks that may impact the strategic direction of the Group.</p> <p>The RMSC amongst others undertakes the following responsibilities:</p> <ul style="list-style-type: none"><li>▪ Reviews and ascertains that the Group's risk management and internal control framework is robust and effective with respect to the specific needs and nuances of the Group;</li><li>▪ Reviews the risk appetite for the Group and make recommendations to the Board;</li><li>▪ Oversees the conduct of evaluation on the Group's internal control system, reviews its outcomes and makes recommendations to the Board;</li><li>▪ Monitors changes anticipated against the backdrop of the economic and business environment;</li><li>▪ Reviews the alignment of sustainability efforts undertaken by the Company vis-à-vis the strategic context and expectations of stakeholders;</li><li>▪ Reviews the effectiveness of the sustainability framework, including policies relating to the environment, health and safety practices of the Company;</li><li>▪ Reviews pertinent considerations relating to proposed investments (including mergers and acquisitions), strategic and corporate planning as well as key performance indications;</li><li>▪ Reviews the Group's operational plan and budget;</li></ul>

	<ul style="list-style-type: none"> <li>▪ Oversees the effective management of stakeholder engagement with regards to the pursuit of strategic sustainability goals; and</li> <li>▪ Considers positioning in relation to emerging sustainability issues.</li> </ul> <p>The risk management framework adopted by the Group is guided by internationally recognised risk management framework. The risk management framework and process, the key anticipated and known risks that the Group is exposed to which may have a material effect on the Group’s operations, performance, financial condition and liquidity and the internal control systems of the Group are found in the SORMIC.</p>
<b>Explanation for departure</b> :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 9.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Board has established the RMSC comprising a majority of Independent Non-Executive Directors. The Board committee is chaired by a Non-Independent Non-Executive Director, Datuk Mohd Radzif Bin Mohd Yunus. Two (2) Independent Non-Executive Directors are also members of the RMSC namely Puan Zaiton binti Jamaluddin and Dato' Eisah binti A. Rahman.</p> <p>To fulfil its oversight responsibility, the Board through delegation to the RMSC, reviews the adequacy and integrity of the Group's risk management framework and policies which encapsulates the key processes for risk identification, assessment, mitigation, monitoring and reporting.</p> <p>The TOR of the RMSC which can be accessed on the Company's website sets out risk management as a primary agenda of the RMSC. The Board had in 2018 recognised sustainability as a key risk management agenda and approved to include sustainability into the TOR of the then Risk Management Committee and renamed the committee as the RMSC. The Board is of the view that matters of risk are accorded with due attention, that the agenda on risk management was not overwhelmed by other agenda, and that the members of the RMSC have the expertise to oversee risk management matters in an effective manner.</p> <p>In setting up the Board Committees, including the RMSC, the Board had taken into consideration the increased workload of committees, balanced against the ability of the committee to accord due attention on the matters discussed by the respective committee, and time commitment of the respective Directors due to the increased number of board committees that would arise if the Company was to set up different dedicated stand-alone committees in addition to the existing board committees.</p> <p>The RMSC also co-ordinates and communicates regularly with the AIC to minimise any overlaps in the oversight functions of these two (2) Committees.</p>

**Intended Outcome**

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

**Practice 10.1**

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established an in-house internal audit function, which resides within the Group Internal Audit and Integrity Department (“GIA”). As the “eyes and ears” of the AIC, the Head of GIA reports directly to the AIC and has direct access to the Board through the Chairman of the AIC.</p> <p>The AIC reviews and subsequently approves the Annual Internal Audit Plan. It ensures the GIA function is accorded with appropriate standing and authority to facilitate the discharge of its duties. In approving the annual budget for the internal audit function, the AIC ensures that the GIA function holds adequate resources to perform its role with objectivity and undue influence by Management or any other interested parties.</p> <p>The GIA’s primary function is to perform audits and evaluations to determine the efficacy of internal controls, governance and risk management processes in order to provide the Board and management with unbiased and reasonable verification of the adequacy and integrity of the Group’s internal control structures, governance and risk management processes. On a regular basis, thorough audits are performed of the policies, processes, expenditure and internal controls of all business and support units and subsidiaries. The GIA provides the AIC with assurance and guidance on the integrity on the Group’s governance and internal control systems.</p> <p>During the year, the Chairman of the AIC has held private sessions with the Head of the GIA Department without the presence of management to discuss on significant internal audit matters. These private sessions provide an avenue for the Group Internal Auditor to surface any pertinent issues or concerns that were gathered.</p> <p>More information on Duopharma Biotech’s GIA functions can be found in the Internal Audit Function Statement of the AIC Report, as contained in the Annual Report 2020.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 10.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group's Internal Audit function is spearheaded by Mr. Rama Sockalingam Nagappan who is also the Head of the Group Internal Audit and Integrity Department. Mr. Rama is a member of Certified Practising Accountant (CPA), Australia, a Chartered Member of the Institute of Internal Auditors, a Certified Internal Auditor (CIA) and a Certified Integrity Officer with extensive experience in the realm of governance, integrity and internal control.</p> <p>Mr. Rama, along with other internal audit personnel, are free from any family relationship with any Directors and/or major shareholder and do not have any conflict of interest with the Company or the wider Group. The total number of personnel assigned for the internal audit function of the Group is five (5).</p> <p>The Group has in place a GIA function which independently reviews and assesses the adequacy, operating effectiveness and integrity of the system of internal control in managing key risks including often sidelined risks such as compliance and reputational risks and fraud risk. The annual audit plan is reviewed and approved by the AIC. The scope as well as frequency of the audit coverage are determined in tandem with the level of assessed risks, in view of providing an independent and objective report on the operational and management activities of these functions.</p> <p>Further, the Internal Audit Plan and Internal Audit annual budget 2020 was tabled to the AIC on a quarterly basis as to monitor its progress and scorecard.</p> <p>Having assessed the GIA function, the AIC is satisfied that the coverage of the internal audit scope is adequate, and the GIA has the necessary competence, resources and authority to carry out its work. In conducting the internal audit process, the GIA is guided by the COSO (Committee of Sponsoring Organizations) Internal Control Framework which covers the following five (5) elements of internal controls:</p> <ul style="list-style-type: none"><li>▪ Control environment;</li></ul>

	<ul style="list-style-type: none"> <li>▪ Risk assessment;</li> <li>▪ Control activities;</li> <li>▪ Information and communication; and</li> <li>▪ Monitoring.</li> </ul> <p>The internal audit function has adopted the International Professional Practices Framework set by the Institute of Internal Auditors (“IIA”) and ensures that staff are professionally guided and trained to develop the appropriate competencies to perform their duties during the internal audit review.</p> <p>The GIA adopts a risk-based audit approach in its annual audit planning which takes into consideration the risk assessment, business plan, previous audit results, as well as the AIC’s and Senior Management’s inputs. The audits are guided by the established internal audit framework of the Group as well as the International Professional Practices Framework of the IIA.</p> <p>All internal auditors are free from any relationships or conflicts of interest, which could impair their objectivity and independence. The work of the Group Internal Audit is in line with an established Internal Audit Charter and in accordance with the Standards for the Professional Practice of Internal Auditing Framework.</p> <p>Additional disclosure on the Group Internal Audit function can be found in the AIC Report within the Annual Report 2020.</p> <p>The total expenses incurred for the internal audit work (including Integrity and Anti-Corruption) of Duopharma Biotech during the financial year ending 31 December 2020 was approximately RM853,090.00 (2019: RM922,594.68).</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 11.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of effective dialogue with shareholders and investors. The Company believes that communication with the shareholders is a two-way process. The Company takes into consideration views and feedback it receives from all the stakeholders. As stewards of the Company, Directors are accountable to shareholders as well as other stakeholders of the Company for the performance and operations of the Group.</p> <p>In terms of disclosure of material information, the Board adopts a comprehensive, accurate and timely approach in compliance with the MMLR and the Corporate Disclosure Guide of Bursa Malaysia Berhad.</p> <p>In fostering a closer association with its stakeholders, the Board, along with Senior Management ensure that the Company's website contains the latest information on the Group including, but not limited to its business activities, investor relations activities, sustainability activities and any press releases made by the Group.</p> <p>The Board has adopted the Shareholders and Investors Communication Policy and the Corporate Disclosure Policy &amp; Procedures that govern the communication methods between the Company and its stakeholders. These policies allow for timely and quality dissemination of information to stakeholders. Duopharma Biotech also maintains a social media presence to keep stakeholders updated on the latest activities and developments of the Group.</p> <p>In order to maintain an open line of communication with stakeholders, the Group leverages on a plethora of channels including the corporate website, announcements on the exchange, briefing sessions, press releases, and social media platforms. Duopharma Biotech regularly holds investment analyst engagement sessions organised by the Finance Department in collaboration with Group Corporate Communication Department.</p> <p>During the COVID-19 outbreak, the Group continuously engaged with investors and other stakeholders virtually to keep them abreast of the Group's performance. As part of its investor relations programme, the</p>

	<p>Group conducted seven (7) analysts' briefing sessions during the year. During the COVID-19 pandemic and the movement control orders imposed by the Government, the analysts' briefing sessions were broadcast live via webcast to members of the investment community, which also ensured a wider reach of our messages.</p> <p>Additionally, the Board has designated Dato' Mohamad Kamarudin Bin Hassan as Senior Independent Director to serve as the contact point for the Group's stakeholders, including employees and minority shareholders to forward their enquiries and concerns, in the scenario that concerns have not been resolved or would not be appropriate via the normal channels through the Chairman or GMD.</p> <p>In addition, the Company actively updates its official website, with the latest information on corporate and business aspects of the Group. All press releases, announcements to Bursa Securities, analyst briefings and quarterly results are also made available on the websites to promote accessibility of information to the Company's shareholders and all stakeholders.</p> <p>Shareholders are welcomed to raise queries by contacting the Company at any time throughout the year. The contact information is available on the Company's website at <a href="https://duopharmabiotech.com/contact-information">https://duopharmabiotech.com/contact-information</a></p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 11.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Duopharma Biotech does not fall under the remit of a Large Company at the start of the financial year under review (as defined by MCCG) and as such, is not subjected to Practice 11.2. However, for the purpose of benchmarking beyond the minimum prescribed, Duopharma Biotech has decided to report on this Practice. The Annual Report of Duopharma Biotech provides stakeholders with a fairly comprehensive overview on the Company's financial and nonfinancial information including strategic performance. Components such as Management Discussion and Analysis, Corporate Governance Overview Statement and SORMIC form an integral part of the non-financial information.</p> <p>Information is also provided on the business model as well as the trends, outlook and prospects of the Company. Whilst certain characteristics of integrated reporting may be embodied in the Annual Report of Duopharma Biotech, it is on the whole not an integrated report based on the parameters set out by the International Integrated Reporting Council's (IIRC) Integrated Reporting Framework.</p> <p>Recognising that producing an Integrated Report represents a journey, the Board would like to allow for some buffer period to lay the building blocks by establishing systems for efficient capturing of non-financial data.</p> <p>In order to provide stakeholders with a holistic picture of Duopharma Biotech's business, the Annual Report of Duopharma Biotech draws linkages between the various components contained therein, comprising financial and non-financial information. The Company has once again successfully produced its stand-alone Sustainability Report for the financial year ending 31 December 2020 pursuant to the guidelines outlined in Practice Note 9 of MMLR as well as the Sustainability Guide and Toolkits by Bursa Malaysia Berhad.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	: Duopharma Biotech is also continuously building the necessary systems to capture data that are relevant to sustainability indicators and has recently embedded United Nations' Sustainable Development Goals in its sustainability framework. These developments signal a significant step forward and has positioned Duopharma on a solid footing to adopt Integrated Reporting.
<b>Timeframe</b>	: Others 3 Years

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 12.1**

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the AGM as an invaluable platform for shareholders to engage both the Board and Senior Management in a productive dialogue and provide constructive feedback that contributes to the overall performance of the Company.</p> <p>The Board therefore endeavours to provide shareholders with adequate time to consider the resolutions that will be discussed and decided upon during the AGM and to facilitate informed decision-making by the shareholders.</p> <p>In this regard, the notice for the AGM in 2020 was provided to shareholders not less than 28 days before the meeting. This goes above and beyond Section 316(2) of Companies Act 2016 and paragraph 7.15 of MMLR which call for a 21-days' notice period for public companies or listed issuers respectively.</p> <p>The notice for Duopharma Biotech's AGM outlines the resolutions to be tabled during the said meeting and is accompanied with explanatory notes and background information where applicable to shed clarity on the matters that will be decided at the AGM.</p> <p>To ensure a smooth transition to a virtual AGM, the Company also distributed an Administrative Note together with the notice of AGM, which provides information to the Shareholders regarding the registration and voting process, connectivity requirements, AGM details, and their entitlement as a shareholder. A supplementary Administrative Note was also issued by the Company to the shareholders to highlight, among others, the do's and don'ts when participating in the virtual AGM as well as guide on submitting questions.</p> <p>In addition to being dispatched to shareholders, the notice for the AGM was circulated in two (2) nationally circulated newspaper alongside an announcement on the website of the Exchange.</p>
<b>Explanation for departure</b>	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 12.2**

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges its responsibility to engage shareholders and provide meaningful responses to their questions. The AGM acts as a principal forum for dialogue with all shareholders and represents the primary platform for direct two-way interaction between the shareholders, Board and Senior Management team of the Company.</p> <p>In demonstrating this commitment to shareholders, all Directors attended the previous AGM which was held as a fully virtual meeting on 17 June 2020 via live streaming from the broadcast venue. The Chairmen of respective Committees were present to facilitate discussions and address any questions shareholders may have on matters that fall under the purview of the Committees.</p> <p>The minutes included summary of key matters discussed during the said meetings that is required to be published on the Company’s website in accordance with paragraph 9.21(2) of the MMLR.</p> <p>Due to the extraordinary circumstances surrounding the COVID-19 outbreak and the restrictions under the Movement Control Orders imposed by the Government, only the Chairman of the Board, the GMD and the Senior Independent Director (who is also the Chairman of the Nomination and Remuneration Committee) were present at the broadcast venue. The remaining Directors were seated in a secondary venue and participated in the AGM virtually. The Board had enlisted KPMG Management and Risk Consulting Sdn. Bhd. as independent moderators to facilitate shareholders’ participation in the virtual setting. The presence of all Directors, including the GMD, and the Company Secretary, the Chief Financial Officer, the representatives of the Senior Management Team and the Company’s external auditors ensured that meaningful responses were provided to the shareholders.</p> <p>The responsibility for all Directors to attend general meetings and for the Chairmen of the respective Committees to address shareholders’ questions are outlined in the Board Charter.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In 2020, the Company facilitated remote shareholder participation and leveraged technology at its 19<sup>th</sup> AGM. The Company had appointed Tricor Investor &amp; Issuing House Services Sdn. Bhd. ("Share Registrar") as platform service provider.</p> <p>Detailed procedures are provided to the Shareholders in the Administrative Note. There was streaming of the AGM and shareholders were able to submit questions online and cast his/her vote online.</p> <p>Personalised passcode slips were issued by the Share Registrar upon registration for e-voting at the 19<sup>th</sup> AGM. The polling process for the resolutions was conducted upon completion of the deliberation of all items transacted at the 19<sup>th</sup> AGM. The shareholders/proxies were directed to the e-voting counters to cast their votes.</p> <p>The Scrutineers, Asian Securities Sdn. Bhd., upon verification of the poll results, announced the results for each resolution, which included votes in favour and against, upon which the Chairman of the Meeting declared whether the resolutions were carried. The poll results were also announced by Duopharma Biotech via Bursa LINK on the same day for the of all shareholders. Minutes of the 19<sup>th</sup> AGM were also made available on Duopharma Biotech's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT  
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

Click or tap here to enter text.