

## Management & Monitoring Framework

Increased and adequate oversight of subsidiaries was a recent emphasis for regulators and listed groups in the year under review, with Securities Commission Malaysia's issuance of the Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries. The Guidelines call for a group-wide governance framework and reiterate the fiduciary responsibilities of directors appointed as stewards of the parent company. Group governance serves to protect shareholder value, but it also has practical implications concerning risks and financials and compliance, to name a few.

The Group is cognisant of the importance of oversight of subsidiaries, especially with its overseas presence, where proper oversight ensures risk associated with its foreign subsidiaries are not overlooked. As Duopharma Biotech was transitioning to a Large Company during the year under review, it swiftly acted on establishing a framework for the operationalisation of Chapter 5 of the Guidelines (i.e. group governance). In this regard, the Board on 22 February 2021 approved the Management and Monitoring Framework, in essence, for the following purposes:-

1. To fulfil the requirement for a formal governance framework as advocated by the Guidelines;
2. To provide guidance to 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
3. To provide consistency of actions within Dupharma Biotech and its subsidiaries to ensure best practices are implemented in managing and monitoring.