

BOARD CHARTER

DUOPHARMA BIOTECH BERHAD

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BOARD CHARTER

1 PURPOSE

The Board Charter sets out the authority, responsibilities, membership and operation of the Board of Duopharma Biotech Berhad (the “Company”), adopting principles of good corporate governance and practice, that accord with applicable laws.

2 AUTHORITY

The Board derives its authority to act from the Constitution of the Company and the relevant laws.

3 PRINCIPAL RESPONSIBILITIES

- 3.1 The Board is charged with leading and managing the Company in an effective and responsible manner. The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders for the manner in which the affairs of the Company are managed and have a legal duty to act in the best interest of the Company.
- 3.2 The principal responsibilities of the Board are as follows:
- (i) Represent shareholders and serve the interest of the Company;
 - (ii) Chart the direction, strategies and financial objectives that will allow the Company to build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company’s Constitution and within a framework of prudence and effective controls that enable risks to be assessed and managed;
- 3.3 Having regard to the responsibilities and obligations, in discharging the above responsibilities, the Board will direct and perform the functions that are set out as follows:

(I) STRATEGY

- (a) Sets the corporate objectives of the Company;
- (b) Formulates and approves strategic plan for the Company, identifying quantitative and qualitative performance objectives;
- (c) Reviews and oversees the conduct of the Company's businesses and performance, having regard to the strategic plan.

(II) RISK MANAGEMENT

- (a) Maintains and implements risk management policies and internal compliance and control systems which are based on best practices;
- (b) Ensures that principal risks facing the company have been identified, assessed, and managed through the implementation of appropriate internal controls and mitigation measures;
- (c) Ensures that the Company's risk management processes comply with the legal and regulatory requirements.

(III) SUCCESSION PLANNING

- (a) Ensures that an appropriate succession plan for members of the Board and top management is in place;
- (b) Selects, appoints and evaluates the performance of and planning the succession of the Board and top management including the Group Managing Director / Chief Executive Officer of the Company;
- (c) Ensures that the necessary training, mentoring and coaching are provided to Board and top management;
- (d) Determining and reviewing remuneration of the Board and top management;
- (e) Replacing Directors and top management of the Company, where appropriate.

(IV) INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION

- (a) Ensures effective communication with shareholders and investors;
- (b) Provides investors and shareholders with ready access to information on the Company and its activities;
- (c) Encourages shareholders to participate in general meetings;

(V) INTERNAL CONTROL SYSTEMS AND INFORMATION SYSTEMS

- (a) Maintains proper internal control systems and information systems;
- (b) Ensures adequacy and integrity of the Company's internal control systems and information systems;
- (c) Ensures that the internal control systems and information systems are in compliance with applicable laws, regulations, rules, directives and guidelines.

(VI) SUSTAINABILITY

- (a) Ensures that strategies addressing sustainability and stakeholder interests are in place;
- (b) Ensures that environmental, social and governance aspect of the business is being balanced with the interest of various stakeholders.

(VII) REPORTING

- (a) Monitors and approves financial and other reporting whether internally or externally;
- (b) Maintains and implements continuous disclosure policy and procedures which are in compliance with all legal and regulatory reporting requirements;

- (c) Ensuring that the statutory accounts of the Company are fairly stated and otherwise conform to the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements.

(VIII) CORPORATE GOVERNANCE

- (a) Promotes and operates according to the principles of good corporate governance which include ethical and responsible decision making;
- (b) Ensures the Company's compliance with corporate governance standards and practices;
- (c) Ensures that the Company adheres to high standards of ethics and corporate behaviour through the establishment of Code of Conduct and observance to Directors' Code of Best Practice;
- (d) Establishes and implements procedures on dealing with the Company's securities to be in compliance with all securities laws.

(IX) PERFORMANCE

- (a) Establishes policies to strengthen the performance of the Company including ensuring that management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;
- (b) Adopts performance measures to monitor implementation and performance of the strategy, policies, plans, legal and fiduciary obligations that affect the business;

- (c) Establishes and maintains performance evaluation process for the Board, committees and individual directors.

- 3.3 In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board Committee, a Director, Management or other person. Nevertheless, this does not relinquish the ultimate responsibility of the directors under the relevant laws. Written procedures determining the issues to be decided by the Board and to be delegated to Board Committees and Management have been established. The Board collectively or individually, may seek independent professional advice in furtherance of their duties at the Company's expense.
- 3.4 Directors should consult the Company Secretary and / or the Chairman, as required, for any clarification on their responsibilities and duties and any dealings from which potential conflict of interest situation may arise.
- 3.5 Directors must at all times be aware of their additional role as ambassadors of the Company and as such should be guided accordingly.
- 3.6 In addition to the above, a schedule of **Reserved Matters** to be decided at the Board and not to be delegated is listed as follows:

(A) CONDUCT OF THE BOARD

- (i) Appointment of a Chair;
- (ii) Appointment and removal of directors based on recommendations of the Nomination and Remuneration Committee;
- (iii) Appointment of directors to fill a vacancy or as additional directors;
- (iv) Appointment and removal of Company Secretaries;
- (v) Establishment of Board Committees, their membership and delegated authorities;

- (vi) Appointment of top management positions, including that of the Company's Chief Executive Officer and their duties and the continuation (or not) of their service.

(B) REMUNERATION

- (i) Approval of the remuneration arrangements for non-executive directors;
- (ii) Approval of the remuneration structure and policy for executive director or Chief Executive Officer and where appropriate, key executives based upon recommendations of the Nomination and Remuneration Committee;
- (iii) Approval of any proposed new employees' share option scheme and / or other long-term incentives (e.g., vesting stock options, cash settled share appreciation rights) and / or amendments to existing scheme(s), subject to other approvals that may be required by law or regulations.

(C) OPERATIONAL

- (i) Approval of business strategy and Company operational plan and budget;
- (ii) Ongoing review of performance against business strategy and Company operational plan, including monitoring of key risks and risk management policies and actions;
- (iii) Approval of major capital expenditure, acquisition, divestitures in excess of authority levels delegated to Board Committees or Management;
- (iv) Approval of bad debts write-offs;

- (v) Approval of investment or divestment of a capital project which represents a significant diversification from the existing business activities;
- (vi) Approval of changes in the major activities of the Company;
- (vii) Approval of treasury policies and bank mandate;
- (viii) Setting or variation of the authority level of the Company's Group Managing Director / Chief Executive Officer.

(D) FINANCIAL

- (i) Approval of interim and annual financial statements after taking into consideration the recommendations of the Audit Committee;
- (ii) Approval for the release of financial announcements;
- (iii) Approval of the Annual Directors' Report and Statutory Accounts;
- (iv) Approval of dividends, and the making of any other distribution;
- (v) Adoption of accounting policies after taking into consideration the recommendations of the Audit Committee;
- (vi) Approval of corporate policies and procedures after review by the Group Management Committee where appropriate;

- (vii) Review the effectiveness of the Company's system of internal control. This function is delegated to the Audit Committee and the Risk Management Committee which will in turn report to the Board on its findings.

(E) OTHER MATTERS TO CONSIDER INCLUDING:

- (i) Review of corporate governance principles and policies;
- (ii) The granting of powers of attorney by the Company;
- (iii) The entering into of any indemnities or guarantees;
- (iv) Recommendations for the alteration of the Constitution of the Company;
- (v) Alteration of the accounting reference date, registered office and name of the Company;
- (vi) Purchase of own shares by the Company;
- (vii) Issue of any debt instruments;
- (viii) Substantial political or charitable contributions;
- (ix) Scheme of reconstruction or restructuring;
- (x) Approval of Limits of Authority;

- (xi) Any other significant business decision;
- (xii) Any other matter requiring the convening of a general meeting of shareholders or any class of shareholders;
- (xiii) Any other specific matters nominated by the Board from time to time.

4 COMPOSITION AND BOARD BALANCE

4.1 SIZE OF THE BOARD

4.1.1 The Company's Constitution stipulates that the minimum number of directors on the Board shall not be less than two (2). Generally, the size of the Board is determined so that the common purpose, involvement, participation, harmony and sense of responsibility of the Board Members are not jeopardised. The Board shall comprise at least 30% women Directors to bring in a diversity of perspectives during the deliberation process (*Practice 5.9, Malaysian Code on Corporate Governance*).

For the avoidance of doubt, an alternate director shall not be counted in the determination of minimum or maximum number of directors on the Board.

4.2 COMPOSITION

4.2.1 The Board shall consist of a majority of non-executive directors with a broad range of skills, diversity, expertise and experience from different backgrounds to facilitate informed and critical decision making.

4.2.2 The Non-Executive Directors provide considerable depth of knowledge collectively gained from experiences in a variety of public and private companies and public services. They bring to the Board their external perspective and wisdom to guide Management on the decision-making process.

4.2.2 **Non-Executive Directors** can either be Independent or Non-Independent. Non-Independent Non-Executive Directors are nominees of the shareholders and

represents the interests of the shareholder in providing strategic direction of the Company. Nevertheless, the nominee directors (who was appointed by virtue of his position as an employee of a company, or who was appointed by or a representative of a shareholder, employer or debenture holder) shall act in the best interest of the company. In the event of any conflict between his duty to act in the best interest of the company and his duty to his nominator, he shall not subordinate his duty to act in the interest of the company to his nominator [S.217(1), Companies Act 2016].

- 4.2.3 **Independent Directors** are Directors who are independent of management and free from any business or other relationship which could interfere with the exercise of independent judgment or the ability to act in the best interests of a listed issuer [Chapter 1, Bursa LR). The **Independent Non-Executive Directors** provide an unbiased and independent view in ensuring that the strategies proposed by Management are fully deliberated and examined in the interest of not only the Company, but also of minority shareholders, employees and the business communities in which the Company conducts its business.
- 4.2.4 Notwithstanding the different roles, the responsibilities of the Non-Executive Directors are no different than those of the Executive Directors. From legal perspective, the Non-Executive Directors are jointly and severally liable for actions taken or omitted and also owe a fiduciary duty to the company of which he is a Director.
- 4.2.5 At any one time, at least two (2) or one-third ($\frac{1}{3}^{\text{rd}}$), of the Board, whichever is higher, shall be independent. If the number of directors is not 3 or a multiple of three, then the number nearest one-third shall be used. (Chapter 15, LR). In the event of any vacancy in the Board resulting in non-compliance as stated earlier, the Company must fill the vacancy within three (3) months.
- 4.2.6 A director would be considered independent if he satisfies the **test of independence** adopted by the Board from time to time to assist in its regular “independence” determination.
- 4.2.7 The Board shall regularly review the independence of each non-executive director in light of any disclosure made by any director in respect of a new

interest or relationship so that they continue to bring independent and objective judgments in board deliberation.

- 4.2.8 The Board may appoint a Senior Independent Director to whom the shareholders concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman and the Group Managing Director / Chief Executive Officer (as the case may be) have failed to resolve them.

The **Senior Independent Non-Executive Director** contributes by playing the following roles:

- (i) Act as a point of contact for shareholders and other stakeholders with concerns which have failed to be resolved or would not be appropriate through the normal channels of the Chairman and the Company's Group Managing Director / Chief Executive Officer (as the case may be);
- (ii) Ensure balanced understanding of major shareholders issues and concerns;
- (iii) Ensures all independent directors have the opportunity to provide input on the agenda and advise the Chairman on the quality;
- (iv) Ensures that all Independent Directors receive appropriate information on a timely manner that is necessary for the Independent Directors to perform their duties effectively;
- (v) Serves as the principal conduit between the Independent Directors and the Board Chairman on sensitive issues;
- (vi) If the need arises, takes the lead in Board and shareholder meetings in connection with related party transactions i.e., transactions with shareholders and/ or their related entities, as defined in Bursa LR; and
- (vii) Considers whether Board meeting schedules and agendas permit Independent Directors to discharge their duties responsibly and

appropriately, and if necessary, consult the Board Chairman to rectify the situation.

- 4.2.9 The **tenure of independent non-executive and non-independent non-executive directors** shall not exceed a cumulative term of nine years in a consecutive service nor cumulative service of nine years with interval.

4.3 APPOINTMENTS

- 4.3.1 The appointment of a new director is a matter for consideration and decision by the full Board. The responsibility of screening on fit and propriety and evaluating potential new directors and directors to be nominated for re-election shall be delegated to the Nomination and Remuneration Committee.
- 4.3.2 In recommending or nominating a person for the appointment to the Board, the Board will consider the candidate's ability to **devote sufficient time** to effectively discharge the duties as a director of the Company. This includes attendance at board and board committee meetings, commitments to other than the Company, relationships which may hinder independence of judgment and the overall effectiveness to the Board.
- 4.3.3 The Nomination and Remuneration Committee is responsible for reviewing, on an annual basis, the appropriate skills, experience and characteristics required of Board Members through a set procedure, in the context of the needs of the Company with reference to its business.
- 4.3.4 The Board shall be responsible for selecting its members and in recommending them for election by the shareholders. In addition, the Chairman of the Board is required to actively participate in the selection of Board Members. A **formal invitation** to join the Company as a Board Member will be extended by the Chairman after approval from the Board.
- 4.3.5 The Company Secretary will be responsible in ensuring that the relevant procedures relating to the appointment of new Directors are properly executed.

4.4 INDUCTION PROGRAM

4.4.1 The Company has adopted an induction programme for newly appointed Directors.

4.4.2 Newly appointed directors will undergo an Induction Program specially designed to familiarise the directors with the businesses within the Company. This familiarisation process includes briefing session on the range of product and services, business structure and visits to the respective operating facilities. The visits will include briefings from Management to provide in-depth of the latest progress of the Company and appreciation of the key drivers behind the Company's core businesses.

4.4.3 Newly appointed Board Member will be provided with a copy of the following upon being appointed a Director:

- (a) Board Charter;
- (b) Directors' Code of Best Practice;
- (c) Board committees' composition and terms of reference;
- (d) Latest business plan;
- (e) Latest annual reports and accounts;
- (f) Organisation chart and particulars on senior management;
- (g) Business operation structure; and
- (h) Minutes of past three Board of Directors' meetings.

4.5.1 The Board acknowledges the importance of continuous education and training to enable effective discharge of its responsibility. This is essential for Directors to improve their skills and keep abreast with the latest ideas and industry practices. Bursa Malaysia recognises the importance of a well-informed Director and makes it mandatory for Boards of listed issuers to continuously evaluate and determine the training needs of its Directors in relation to the discharge of their duties as Directors [*Paragraph 15.08(2), Bursa LR*] as well as to disclose in its annual report, details of training programmes attended by each Director and reasons for non-compliance with Bursa Malaysia's training requirements [*Paragraph 15.08(3), Bursa LR*].

4.5.2 In meeting the expectations of the regulators and the public, the Directors are required to attend two types of programme:

(a) Mandatory Accredited Programme

This program is required by Bursa Malaysia for newly appointed directors who sit on boards of public listed companies for the first time. The program is conducted by Bursa Malaysia and the costs are borne by the Company.

(b) Continuous Education Programme / Training

This program focuses on business specific issues relating to the Company and the latest development within the related industries and is conducted in-house at least two times per year. The programme is extended to all Directors and Senior Management of the Company. The Directors can also on their own initiatives, request to attend ad-hoc trainings / seminars / conferences conducted by third party to enhance their knowledge or skills in specific areas. The costs of attending the trainings / seminars / conferences are borne by the Company.

4.6 DIRECTORSHIPS

- 4.6.1 Any Board member, while holding office, is at liberty to accept other Board appointments (outside the Company) so long as the appointment is not in conflict with the business of the Company and does not detrimentally affect the director's performance as a Board member. All such appointments must first be discussed with the Chairman or the Board before being accepted.
- 4.6.2 The directorships held by any Board member at any one time shall not exceed five (5) in listed companies [*Paragraph 15.06(1), Bursa LR*].

4.7 RE-ELECTION & RETIREMENT

- 4.7.1 The Constitution provides for one third of the Board to retire at each annual general meeting and a retiring director shall be eligible for re-election. In addition, Paragraph 15.05 of the LR provides that the office of a director shall become vacant if the director:
- (a) falls within the circumstances set out in section 208 of the Companies Act 2016;
 - (b) is absent for more than 50% of the total Board meetings held during a financial year.
 - (c) is convicted by a court of law, whether within Malaysia or elsewhere, in relation to the following offences-
 - (1) an offence in connection with the promotion, formation or management of a corporation;
 - (2) an offence involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or

- (3) an offence under the securities laws or the corporations laws of the listed issuer's place of incorporation, within a period of 5 years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.

4.8 SHAREHOLDINGS BY BOARD MEMBERS IN THE COMPANY

4.8.1 Board members may hold shares in the Company. When buying or selling shares of the Company, Board members must strictly observe the provisions of the relevant Duopharma Biotech Group policies, legislative and regulatory procedures.

4.9 BOARD LEADERSHIP

4.9.1 CHAIRMAN

- (a) The Board shall appoint a Chairman and if necessary, a Deputy Chairman from amongst its non-executive members as provided in the Constitution (Art. 126). The Deputy Chairman shall perform the duty of the Chairman during the Chairman's absence.
- (b) The role of the Chairman of the Board and the Company's Group Managing Director / Chief Executive Officer (as the case may be) shall be separated.
- (c) The Chairman plays a pivotal role in the Company creating the conditions for overall board and individual non-executive director effectiveness. The Chairman is responsible for the following:
 - (i) Leading the Board in setting the values and standards of the Company;
 - (ii) Study emerging business conditions and provide visionary direction for growth and diversification;

- (iii) Maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
- (iv) Ensuring the provision of accurate, timely and clear information to Directors;
- (v) Ensuring effective communication with shareholders and relevant stakeholders;
- (vi) Enhancing shareholders' value by motivating and initiating business development;
- (vii) Evaluation of the performance of the Board, its Committees and individual Directors;
- (viii) Facilitating the effective contribution on Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors;
- (ix) Providing governance in matters requiring corporate justice and integrity;
- (x) Managing Board communications and Board effectiveness and effective supervision over the Group Managing Director/ Chief Executive Officer (including but not limited to his appointment, termination, remuneration and determination and review of his key performance indicators) in consultation with the Nomination and Remuneration Committee;
- (xi) Creating conditions for good decision-making during Board and shareholders meetings;

- (xii) Ensuring best utilisation and security of assets;
- (xiii) Ensures compliance with all relevant regulations and legislation.
- (d) The Chairman in consultation with the Company's Group Managing Director / Chief Executive Officer (as the case may be) and the Company Secretary sets the agenda for Board meetings and ensures that all relevant issues are on the agenda.
- (e) The Chairman is responsible for managing the business of the Board to ensure that:
 - (i) All Directors are properly briefed on issues arising at Board meetings;
 - (ii) No Board member, whether executive or non-executive, dominates discussion;
 - (iii) Sufficient time is allowed for the discussion of complex or contentious issues, and where appropriate requesting for a special meeting to enable thorough Board discussion;
 - (iv) The issues discussed are forward looking and concentrates on strategy.
 - (v) Board proceedings are in compliance with good conduct and practices.
- (f) The Chairman ensures that every Board resolution is put to vote to ensure the will of the majority prevails.

- (g) The Chairman ensures that the Executive Directors look beyond their executive functions and accept their full share of responsibilities on governance.
- (h) In the case of an equality of votes, the Chairman shall have a second or casting vote except where only two (2) Directors are competent to vote on the question at issue.

4.9.2 GROUP MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER OF THE COMPANY

- (a) The Group Managing Director / Chief Executive Officer (as the case may be) is the conduit between the Board and management in ensuring the success of the Company's governance and management functions.
- (b) The Group Managing Director / Chief Executive Officer (as the case may be) has the executive responsibility for the day-to-day operation of the Company's business and implements the policies, strategies and decisions adopted by the Board
- (c) The roles and accountabilities of the Group Managing Director / Chief Executive Office (as the case may be) are as follows:
 - (i) Ensure enhancement of stakeholder value and returns by motivating business development and operating efficiency.
 - (ii) Create conditions for systematically scanning emerging business conditions and reviewing business philosophy, goals and values.
 - (iii) Provide conceptual leadership to interpret stakeholder needs and strategically integrating the different business units.

- (iv) Ensure proper determination of the Company's operating goals, objectives and standards by setting and reviewing operations goals, and targets.
- (v) Study and approve broad operating policies and guidelines for resource allocation, utilization and standards for performance evaluation to ensure the continued maintenance of a result corporate culture.
- (vi) Enhance Company's performance and productivity by seeking to highlight areas for synergy.
- (vii) Ensure security of assets of the Company by developing, implementing and updating comprehensive asset utilisation policies and methods.
- (viii) Manage Board of Directors' communications and create conditions for timely decision-making and execution.
- (ix) Ensure compliance with all relevant legislation and regulations by reviewing policies and monitoring compliance.
- (x) Ensure high performance and productivity of top management staff by creating conditions for top management motivation, performance management and professional development.
- (xi) Develop and maintain effective relations with significant external agencies such as regulatory bodies, government agencies, investing public and other trade associations and institutions.

5.1 BOARD COMMITTEES

- 5.1.1 In carrying out its responsibilities and functions, the Board may also delegate any of its powers to committees consisting of such member or members, a Director, employee or other person as it thinks fit.

Hence, the Board may from time to time establish a Committee as it considers necessary or appropriate to assist in carrying out the responsibility or specific task. All such Committees must be provided with written terms of reference which state clearly the extent and limits of their responsibilities and authorities. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed by the Board.

- 5.1.2 The present Board Committees are:

- (a) Audit Committee ;
- (b) Nomination and Remuneration Committee;
- (c) Risk Management Committee;
- (d) Halal and Sustainability Committee; and
- (e) Medical and Research Committee,

The duties and powers delegated to these committees are set out in the Terms of Reference of each of the Committee as approved by the Board in the Appendices attached.

5.2 BOARD MEETINGS & SUPPLY OF INFORMATION

5.2.1 The Chairman should ensure that the Board meets at regular intervals throughout the year. At each scheduled meeting, the Board should consider where applicable:

- (a) an operational report from the Group Managing Director or Chief Executive Officer (as the case may be) / Chief Financial Officer covering also the trading results and cash flow projections;
- (b) proposals for significant capital expenditure and acquisitions;
- (c) proposals for significant disposal of company assets;
- (d) major issues or opportunities for the Company;
- (e) committee minutes / Board Circular Resolutions for notation;
- (f) changes in directorships and disclosure of interest;
- (g) disclosure of dealings by directors / principal officers;
- (h) issue of shares under the Company's Employees' Share Option Scheme;
- (i) summary of share ownership movement; and
- (j) any other matters requiring its authority.

5.2.2 In addition, the Board shall, at periodic intervals of not more than one year:

- (i) review the Company's goals;
- (ii) review the strategies for achieving the stated goals;
- (iii) approve the operational plan and budget;
- (iv) consider and, if appropriate, declare or recommend the payment of dividends;
- (v) review non-executive Board Members' remuneration;
- (vi) review the reports and recommendations from the Audit Committee and the Risk Management Committee and:
 - (i) approve the quarterly announcements and annual financial statements to shareholders and the public;
 - (ii) approve the appointment of the Company's external auditors.
 - (iii) approve risk assessment and control policies;
- (vii) review the reports and recommendations from the Nomination and Remuneration Committee and:
 - (i) adopt the Board composition, structure and succession;

- (ii) confirm the performance of, necessity for and composition of Board Committees;
- (iii) review the Board and individual member's evaluations;
- (iv) approve the Group Managing Director's / Chief Executive Officer's (as the case may be) performance and remuneration; and
- (v) approve the remuneration policies and practices in general.

5.2.3 The Constitution of the Company stipulates the size and required attendance for the Board's quorum.

5.2.4 Board meeting agendas shall be the responsibility of the Chairman with input from Board Members, Group Managing Director / Chief Executive Officer (as the case may be) and the Company Secretary. The Chairman may delegate such responsibility to the Group Managing Director / Chief Executive Officer (as the case may be) and may also ask management to participate in this process.

5.2.5 The agenda for each meeting shall be circulated at least seven days before each meeting to the Board Members and all those who are required to attend the meeting. Proposals and written materials including information requested by the Board from Management and / or external consultants shall be received together with the agenda for the meetings. However, there will be exceptions in situation where the proposal is urgent and the requirements to prepare such paper only came at the last minute. In this case, the approval of the Group Managing Director / Chief Executive Officer (as the case may be) and subsequently the Chairman must be obtained before including the board paper in the meeting agenda.

5.2.6 Information furnished to the Board should not just be historical or bottom line and financial oriented but information that goes beyond assessing the quantitative performance of the Company and looks at other performance measures such as

performance against market, operational performance, product and service quality performance, human capital consolidation and so on when dealing with any item on the agenda.

- 5.2.7 The Chairman shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Board. The minutes of meetings shall accurately record decisions taken and the views of individual Board Members, where appropriate. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. Minutes of each meeting shall also be distributed to all members of the Board.
- 5.2.8 Board Members are expected to make every effort to attend Board meetings and prepare thoroughly. Members are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board table. The meetings shall convene in a face-to-face manner or remotely (i.e., via virtual means). The Board Member shall ensure all deliberations or information being communicated remotely is treated with confidence, and he/she shall prevent any leakage of information/materials to any third party.
- 5.2.9 Board discussions will be open and constructive, recognising that genuinely held differences of opinion and, in such circumstances, bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek a consensus in the Board but may, where considered necessary, call for a vote. All discussions and their record will remain confidential unless there is a specific direction from the Board to the contrary or disclosure is required by the law. Subject to legal or regulatory requirements, the Board will decide the manner and timing of the publication of its decisions.
- 5.2.10 Executive members attend Board meetings to discharge their Board responsibilities. At Board meetings, Board responsibilities supersede all executive responsibilities.

5.3 PROVISION OF BUSINESS OR PROFESSIONAL SERVICES BY BOARD MEMBERS

5.3.1 To avoid a conflict of interest (actual or perceived), Board Members should not, generally provide business or professional services of an ongoing nature to the Company.

5.3.2 Notwithstanding the general rule, the Company is at liberty to:

- (a) for the purpose of a special assignment, engage the services of any Board Member having special expertise in the particular field; or
- (b) engage the services of a firm or company of which the Board Member is a partner, director or major shareholder so long as the terms of engagement are competitive, are clearly recorded and all regulatory and legal requirements of the engagement are properly observed;

Provided that the Board Member who is in any way, whether directly or indirectly, involved in the contract or proposed contract with the Company, shall declare the nature of his interest in accordance with the Company's procedures and provisions of the law. *(Article 129, Constitution)*

5.4 ACCESS TO INDEPENDENT PROFESSIONAL ADVICE

5.4.1 A Director, in discharging his duties, may rely on information, professional or expert advice, opinions, reports or statements, including financial statements and other financial data prepared by officers of the Company and/or competent advisors recruited by the Company *[Section 215(1), Companies Act 2016]* provided that such reliance are made in good faith and after making an independent assessment thereof having regard to the Directors' knowledge of the Company and the complexity of the structure and operation of the Company *[Section 215(2), Companies Act 2016]*.

5.4.2 The Director's rights above is further affirmed by Paragraph 15.04, of the Bursa Malaysia Listing requirements including but not limited to the following:

- (a) Unrestricted access to information during which they were Directors;
- (b) Advice and services of the Company Secretary; and
- (c) Independent professional advice, at the expense of the Company;

whenever necessary and reasonable for the performance of his duties, and in line with procedures defined by the Board.

5.4.3 If a director considers that such advice is necessary, the director shall first discuss it with the Chairman and, having done so shall be free to proceed. The director should provide proper notice to the Group Managing Director / Chief Executive Officer (as the case may be) or the Company Secretary of the intention to seek independent advice and shall provide the name(s) of the professional advisors that he / she intends to contact, together with a brief summary of the subject matter for which professional advice is sought. The Group Managing Director / Chief Executive Officer (as the case may be) or the Company Secretary shall provide written acknowledgement of acceptance of notification. In the event that one or more directors seek to appoint one or more advisors, the Chairman should take steps to facilitate discussions to arrive at a consensus.

5.4.4 Fees for the independent professional advice will be payable by the Company.

5.4.5 For avoidance of doubt, the above restriction shall not apply to executive directors acting in the furtherance of their executive responsibilities and within their delegated powers.

5.4.6 For the purposes of this section, independent professional advice shall include advice sought from legal experts, accountants or other professional advisors and consultants. Independent professional advice shall exclude any advice concerning the personal interests of the directors (such as with respect to their contracts or disputes with the Company), unless these are matters affecting the Board as a whole.

5.5 THE COMPANY SECRETARY

5.5.1 The appointment or removal of Company Secretary or Secretaries of the Board shall be the prerogative of the Board as a whole.

5.5.2 The Secretary shall be a qualified individual as stipulated under Section 235 of the Companies Act 2016 as follows:

- (a) He or she is a member of a body as set out in the Fourth Schedule of the Companies Act 2016 or a professional body or any other body, which has for the time being been prescribed by the Minister by notification published in the Gazette; or
- (b) He or she is licensed by the Companies Commission of Malaysia for that purpose.

5.5.3 The Secretary is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.

5.5.4 The Secretary is also responsible and accountable to the Board, for ensuring that the secretarial functions provide adequate support to the Board (and Board Committees) for all Board-related administrative functions.

5.5.5 The Secretary also plays an important role as the gatekeeper of corporate governance, and advises the Board on regulatory compliance matters.

5.5.6 All Board Members, particularly the Chairman, have unrestricted access to the advice and services of the Company Secretary for the purposes of the Board's affairs and the business.

6 BOARD AND MEMBER EVALUATIONS

6.1 The Company has in place a Board Evaluation Exercise which is conducted on an annual basis. The Board Evaluation criteria are based on the Green Book – Enhancing Board Effectiveness as well as guidelines and best practices issued by Bursa Malaysia and other relevant authorities which are based on the following main components:

- (i) structuring a high performing board;
- (ii) ensuring a day-to-day Board operations and interactions;
- (iii) fulfilling fundamental Board roles and responsibilities at best practices levels.

6.2 The Nomination and Remuneration Committee is given the task to review annually the activities and effectiveness of the Board and the individual Board Members and will report annually to the Board on the Board's and its committees' performance which will be discussed with the full Board. The Nomination and Remuneration Committee shall endeavour to enlist the services of third party to facilitate the conduct of the evaluation at least once every three years (*Practice 6.1 of Malaysian Code on Corporate Governance*);

- 6.3 The Nomination and Remuneration Committee will evaluate each individual director's contributions to the effectiveness of the Board and the relevant Board committees. The results of such evaluation will be discussed with the Committee and / or the Chairman. The Chairman's own position is discussed with the Nomination and Remuneration Committee.
- 6.4 Actionable improvement programme will be developed to improve the performance of the Board.
- 6.5 A sample of the **Board Effectiveness Evaluation Form** is attached in this booklet.

7 DIRECTORS' REMUNERATION

- 7.1 The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved but without paying more than is necessary to achieve these goals.
- 7.2 The level of remuneration for Non-Executive Directors is based on their responsibilities in Committees and the Board, their attendance and/or special skills and expertise they bring to the Board.
- 7.3 Executive Board Members will receive no fees but will be paid as employees of the Company in accordance with their contracts of employment with the Company.
- 7.4 A **policy and procedures on the remuneration for Directors and Senior Management** is included in this booklet.

8.1 ACCESS TO MANAGEMENT AND INFORMATION

- 8.1.1 Board Members have complete access to the Company's management. Board Members have unrestricted access to the information pertaining to the Company and / or Company including the Company and / or Company's auditors and consultants.
- 8.1.2 It is assumed that Board Members will use judgement to be sure that this contact is not distracting to the business operation of the Company and that such contact, if in writing, be copied to the Group Managing Director / Chief Executive Officer (as the case may be) and Chairman.
- 8.1.3 Furthermore, the Board encourages the management to, from time to time, involve managers in Board meetings who:
- (a) can provide additional insight into the items being discussed because of personal involvement in these areas; and / or
 - (b) represent managers with future potential that the management believes should be given exposure to the Board.

8.2 POSITION OF GROUP MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER OF THE COMPANY

- 8.2.1 The Board will link the Company's governance and management functions through the Group Managing Director / Chief Executive Officer (as the case may be). All Board authority conferred on management is delegated through the Group Managing Director / Chief Executive Officer (as the case may be) so that the authority and accountability of management is considered to be the authority and accountability of the Group Managing Director / Chief Executive Officer (as the case may be) so far as the Board is concerned.
- 8.2.2 The Board, through the Nomination and Remuneration Committee, will agree with the Group Managing Director / Chief Executive Officer (as the case may be) to achieve specific results directed towards the Company's goals.
- 8.2.3 Between Board meetings, the Chairman maintains informal link between the Board and the Group Managing Director / Chief Executive Officer (as the case may be), and expects to be kept informed by the Group Managing Director / Chief Executive Officer (as the case may be) of all important matters, and is available to the Company's Group Managing Director / Chief Executive Officer (as the case may be) to provide counsel and advice where appropriate.
- 8.2.4 Only decisions of the Board acting as a body are binding on the Group Managing Director / Chief Executive Officer (as the case may be). Decisions or instructions of individual Board Members, officers or committees are not binding except in those instances where specific authorisation is given by the Board.

8.3 ACCOUNTABILITY OF GROUP MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER TO THE BOARD

- 8.3.1 The Group Managing Director / Chief Executive Officer (as the case may be) is accountable to the Board for the achievement of the Company's goals and for the observance of the management authorities.
- 8.3.2 At each normal Board meeting, the Board should expect to receive from or through the Group Managing Director / Chief Executive Officer (as the case may be):
- (a) the operational and other reports and proposals referred to under the sections on Principal Responsibilities and Board Meetings and Supply of Information; and
 - (b) such assurances as the Board considers necessary to confirm that the management authorities are being observed.

8.4 MANAGEMENT AUTHORITIES

- 8.4.1 The Group Managing Director / Chief Executive Officer (as the case may be) is expected to act within all specific authorities delegated to him / her by the Board.
- 8.4.2 The Group Managing Director / Chief Executive Officer (as the case may be) is expected to not cause or permit any practice, activity or decision that is contrary to commonly accepted good business practice or professional ethics. In allocating the capital and resources of the Company, the Group Managing Director / Chief Executive Officer (as the case may be) is expected to adhere to the Company and / or Company's goals and policies. He / She is expected to not cause or permit any action without taking into account the risks affecting the performance, health, safety, environment, sustainability, governance and political consequences and their effect on long-term shareholder value.

8.4.3 The assets of the Company are expected to be adequately maintained and protected, and not unnecessarily placed at risk. In managing the risks of the Company, the Group Managing Director / Chief Executive Officer (as the case may be) is expected to not cause or permit anyone to substitute their own risk preference for those of the shareholders as a whole.

8.4.4 The Group Managing Director / Chief Executive Officer (as the case may be) is expected to not permit employees and other parties working for the Company to be subjected to treatment or conditions that are undignified, inequitable, unfair or unsafe.

8.5 LEADERSHIP DEVELOPMENT

8.5.1 The Group Managing Director / Chief Executive Officer (as the case may be) is expected to provide a report on an annual basis to the Nomination and Remuneration Committee on succession planning. The Group Managing Director / Chief Executive Officer (as the case may be), should on a continuing basis, provide recommendation as to a successor should he / she be unexpectedly disabled.

8.5.2 The Group Managing Director / Chief Executive Officer (as the case may be) is also expected to provide a report on an annual basis on the Company's talent development. This report should be given to the Nomination and Remuneration Committee at the same time as the succession planning report noted previously.

9.1 FINANCIAL REPORTING

9.1.1 TRANSPARENCY

- (a) The Company aims to present a clear, balanced and comprehensive assessment of the Company's financial position and future prospects that extends to the interim and price-sensitive information and other relevant reports submitted to regulators.
- (b) The Directors ensure that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the approved accounting standards.
- (c) The Company's practice is to announce to Bursa Malaysia its quarterly financial results as early as possible within two (2) months after the end of each quarterly financial period.

9.2 EXTERNAL AUDITORS

9.2.1 The Board recognises the value of an effective Audit Committee (AC) in ensuring the Company's financial statement is a reliable source of financial information. In doing so, the Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the External Auditors through its ~~AIC~~ AC.

9.2.2 The AC also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the External Auditors.

9.2.3 The AC will review the performance of the External Auditor on an annual basis after completion of the year-end audit. In evaluating the effectiveness of external audit, the AC will assess the effectiveness of the external auditor based on a number of criteria including but not limited to:

- (a) The overall comprehensiveness of the external audit plan;
- (b) The timeliness and quality of the deliverables promised during the audit;
- (c) The competency and basic industry knowledge of the external audit staffs; and
- (d) The adequacy of resources to achieve the scope of the outlined audit plan.

9.2.4 The AC will also review and assess the ***independence of the External Auditor*** annually at the time the External Auditor presents its annual audit plan. It is expected that the External Auditor will rigorously comply with its own internal policies on independence and all relevant professional guidance on independence.

9.2.5 The AC will further ensure that the policies governing the provision of non-audit fees are observed. The general guiding principles to be applied in assessing the other non-audit related services are as follows:

- (a) The External Auditor should not have involvement in the preparation of the financial information or preparation of financial statements such that they might be perceived as auditing their own work.
- (b) The External auditor should not be involved in the design or implementation of the financial information systems.
- (c) The External Auditor should not perform any function as management, or be responsible in making management decisions; and
- (d) The separation between internal and external audit should be maintained.

- 9.2.6 A copy of Duopharma Biotech's ***Policy on External Auditors*** is attached herewith.

9.3 INTERNAL AUDITORS

- 9.3.1 The Company has established an internal audit function which is performed in-house by the Group Internal Audit Department that reports to the AC.
- 9.3.2 The internal audit function is independent of the activities performed with impartiality, proficiency and due professional care.
- 9.3.3 The internal audit function is well resourced and critically reviews all aspects of the Company's activities and internal controls. Comprehensive audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries are undertaken on a regular basis.
- 9.3.4 The Head of Group Internal Audit Department has direct access to the Board through the Chairman of the AC.

9.4 INTERNAL CONTROL

- 9.4.1 The Directors are fully aware of the responsibilities to maintain a sound system of internal controls to safeguard shareholders' investment and the Company's assets. The Directors' responsibilities for the Company's system of internal controls cover not only financial aspects of the business but also operational and compliance control as well as risk management matters.
- 9.4.2 The function of the Group's Internal Audit Department on the systems of internal control is to assist the AC and the Board of Directors as follows:-

- (a) Perform regular review on compliance of operational procedures using risk-based audit approach.
- (b) Conduct investigations on specific areas or issues as directed by the AC and the Management.

9.5 RISK MANAGEMENT

- 9.5.1 The Board, through the Risk Management Committee (RMSC), determines the Company's level of risk tolerance and actively identify, assess and monitor key business risks to safeguard shareholders' investment and the Company's assets.
- 9.5.2 The above function is performed by the Group Risk Management Department, which is separate from the Group Internal Audit Department. The Department reports the results of the risk management activities to the RMSC. The Department facilitates the risk management processes within the Company.
- 9.5.2 In managing risks, the Board has adopted the Enterprise Risk Management ("ERM") framework for the Company with the following objectives:
- (a) Ensures oversight over the management of risks including establishing the significant risks that the Company is willing to accept.
 - (b) Promotes operational efficiencies, optimises use of capital and improve margins through managing cost of risk.
 - (c) Drives operational efficiencies and bottom line by controlling the business processes.
- 9.5.3 In implementing the ERM Framework, the Company has adopted the universally accepted standard for managing risks which is the ISO 31000.
- 9.5.4 A Risk Management Policy has been established by the Company to ensure an effective risk management programme and control systems and thereby facilitating the Company in meeting all its business objectives, most specifically :-

- (a) To enhance the Company's high standards of corporate governance;
- (b) To safeguard shareholders' investment;
- (c) To safeguard the Company's assets;
- (d) To develop the Company's employees and promote their well-being;
- (e) To facilitate the Company's long-term growth under all business conditions.

10 RELATIONSHIPS WITH SHAREHOLDERS AND INSTITUTIONAL INVESTORS

- 10.1 The Board will use its best endeavours to familiarise itself with issues of concern to shareholders.
- 10.2 The Board believes that management speaks for the Company. In this instance, the Company has adopted the **Shareholders and Investors Communication Policy** and the **Corporate Disclosure Policy and Procedures** to meet or otherwise communicate with various constituencies that are involved with the Company. The Shareholders and Investors Communication Policy and the Corporate Disclosure Policy and Procedures are attached in this booklet.

10.2.1 COMMUNICATION WITH SHAREHOLDERS

Direct engagement with shareholders provides better appreciation of the Company's objectives, quality of its management and challenges, while also making the Company aware of the expectations and concerns of its shareholders. In this regard, the Company has established the following communication channels with its shareholders:

(A) ANNUAL GENERAL MEETING (AGM)

- (i) The Company regards the AGM as an important event in the corporate calendar of which all Directors and key senior executives should attend.

- (ii) The Company regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with and constructive feedback from the Company's shareholders.
- (iii) The Chairman encourages active participation by the shareholders during the AGM.
- (iv) In addition to the normal agenda for the AGM, the Board presents the progress and performance of the business as contained in the Annual Report and provides opportunities for shareholders to raise questions pertaining to the business activities of the Company. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Where necessary, the Chairman / Group Managing Director or Chief Executive Officer (as the case may be) will undertake to provide written answer to any significant questions that cannot be readily answered at the meeting.

(B) MEETINGS OF MEMBERS OTHER THAN THE AGM (MOM) WILL BE HELD AS AND WHEN REQUIRED

The Directors will consider requisitions by shareholders to convene MOM or any other urgent matters requiring immediate attention of the Company.

(C) ANNUAL REPORT

The Directors believe that an important channel to reach shareholders and investors is through the Annual Report. Besides including comprehensive financial performance and information on business activities, the Company strives to improve the contents of the Annual Report in line with the developments in corporate governance practices.

The Company's Annual Report can be obtained by accessing the Company's website at www.duopharmabiotech.com.

(D) COMPANY'S WEBSITE

The Company also maintains a website at www.duopharmabiotech.com which can be accessed by shareholders to keep abreast with the Company's development. The Board ensures the timely release of financial results on quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements or press releases made during the year. The shareholders can also leave their queries / feedbacks on the Company's website.

10.2.2 INVESTOR RELATIONS

- (a) The Company also holds briefings / dialogues with institutional investors, fund managers, analysts and research houses. Analysts and investors are briefed as required, in relation to major corporate exercises and pertinent issues within the disclosure requirements of Bursa Malaysia.
- (b) A press conference will also be held after each general meeting. At this press conference the Chairman or the Group Managing Director / Chief Executive Officer (as the case may be) will provide an insight of the Company's performance for the year, prospects and any specific events within the guidelines of the Group's Corporate Disclosure Policy.
- (c) The Company's website provides easy access to corporate information pertaining to the Company and its activities. The website is continuously updated.

- 10.3 While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, it must also be wary of the legal and regulatory framework governing the release of material and price-sensitive information. All

corporate disclosures take into account the prevailing legislative restrictions and requirements as well as the investors need for timely release of price-sensitive information such as financial performance results and statements, material acquisitions, significant corporate proposals as well as other significant corporate events.

In all circumstances, the Company is cautious not to provide undisclosed material information about the Company and continually stresses on the importance of timely and equal dissemination of information to shareholders and stakeholders.

11 RELATIONSHIPS WITH OTHER STAKEHOLDERS

- 11.1 In the course of pursuing the vision and mission of the Company, the Board recognises that it would be difficult for any Company to sustainably exist by maximising shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.

11.1.1 EMPLOYEES

1. The Board acknowledges that the employees are invaluable assets of the Company and play a vital role in achieving the vision and mission of the Company.
2. In recognising the importance, a comprehensive talent development program has been approved by the Board to chart each employee's future within the organisation.
3. The Board is committed to its role in establishing corporate culture which engenders ethical conduct for the Company. In relation thereto, the Board has adopted a **Code of Conduct** which commits the Company to ethical values and standards of conduct expected of the Company. It is based upon core values adopted by the Company and embodies the several principles contained in various policies adopted by Company and gives guidance on how employees and other people affected by the Code should apply the core values to the Company's businesses and activities.

- (d) The Board has also adopted a **Whistleblowing Policy** to encourage employees to report any major concerns over any wrongdoing within the Company relating to unlawful conduct, financial malpractice or dangers to the public or the environment. In this respect, the policy makes it clear that any such concern can be raised without fear of victimisation, recrimination, discrimination or disadvantage to the employee reporting the concern. It provides a formal channel to encourage and enable employees to report serious concerns so that such concerns can be properly addressed.

11.1.2 SUSTAINABILITY

- (a) The Board is committed to incorporating sustainability into its actions and practices as part of its responsibility to the environment, social and governance aspects of business. The Board recognises that the goal of sustainable development is to “meet the needs of the present without compromising the ability of future generations to meet their own needs”.
- (b) The Company has developed / will develop specific policies, procedures, directives or guidelines to support, promote or ensure compliance of the Company’s Sustainability Policy.

12 INDEMNIFICATION AND DIRECTORS AND OFFICERS INSURANCE

- 12.1 In the course of discharging directors’ duties, the directors may be exposed to certain wrongful acts such as error, misstatement, misleading statement, omission, neglect or breach of duty committed or attempted or allegedly made in the course of duties. To the extent allowed by law, the Company will provide Board Members and will pay the premiums for such indemnity and insurance cover while acting in their capacities as directors. Provided always that such wrongful acts occur in good faith and not as a result of dishonesty, fraud, insider trading, malicious conduct, fines, penalties, liabilities arising from intentional breach of contract and liquidated, punitive or exemplary damages.

- 13.1 The principles set out in this Charter are:
- a) Kept under review and updated as practices on Corporate Governance develop and further guidelines on Corporate Governance are issued by the relevant regulatory authorities;
 - b) Applied in practice having regard to their spirit and general principles rather than to the letter alone; and
 - c) Summarised in the Annual Report as part of a narrative statement by the Directors on Corporate Governance and/or in the Corporate Governance Report filed with Bursa Malaysia.
- 13.2 Where appropriate, the Board shall take cognizance of the guidelines and principles set out in the Malaysian Code on Corporate Governance 2021. The Board shall also ensure that the Company shall comply with the relevant laws and regulations in which the Company operates.
- 13.3 The Board shall also endeavour to comply at all times with the principles and practices set out in this Charter.
- 13.4 Any updates to the principles and practices set out in this Charter will be made available on the Company's website.

ATTACHED

- Appendix A - Board Effectiveness Evaluation Form**
- Appendix B - Policy on External Auditors**
- Appendix C - Shareholders and Investors Communication Policy**
- Appendix D - Corporate Disclosure Policy and Procedures**
- Appendix E - Board Committees' Terms of Reference**
 - (1) Audit Committee**
 - (2) Nomination And Remuneration Committee**
 - (3) Risk Management Committee**
 - (4) Halal And Sustainability Committee**
 - (5) Medical And Research Committee**

Assessment Topic 1: Board Assessment

The Board Assessment Form is to be completed by each Board member in evaluating the effectiveness of the Board as a whole. The Board Assessment Form contains three (3) sections, as follows:

- Section A: Board mix and composition;
- Section B: Quality of information and decision-making; and
- Section C: Boardroom activities

The criteria for the Board Assessment were developed based on regulatory provisions as well as emerging and leading practices, customised to the needs of Duopharma.

The questionnaire should be completed using the grading system of “Satisfactory”, “Good” or “Excellent”, represented by ‘S’, ‘G’ and ‘E’ respectively.

The assessment criteria are as follows:

Assessment criteria (Note: additional comments can be included beside the grading)		Grading
Section A: Board mix and composition		
1. Is the Board suitable in size, in terms of number of members taking into account the size and complexity of Duopharma’s operations? <u>Explanatory note:</u> The board should be of sufficient size that the requirements of a company can be met and that changes to the board’s composition and that of its committees can be managed without undue disruption, and should not be so large as to be unwieldy.		
2. Does the Board have the right mix of skills and experience to optimise Duopharma’s performance and strategy?		
3. Is the Board provided with continuous education programmes to keep all Directors up to date with the latest developments in the market industry and regulatory environment?		
Section B: Quality of information and decision-making		
4. Are Board meetings held at suitable intervals with adequate time to enable proper consideration of issues? <u>Explanatory note:</u> As stated in the 3 rd edition of the Bursa Malaysia Corporate Governance Guide, it would be in the best interest of the company for the board to meet regularly (i.e. at least five meetings if not more frequently as circumstances dictate).		

Assessment criteria (Note: additional comments can be included beside the grading)		Grading														
5.	Are Directors provided with sufficient, accurate, focused and timely information and meeting materials prior to Board meetings?															
6.	Are Board meetings focused on the right issues and are constructive feedbacks provided during Board deliberations, focusing on root causes of issues and potential actions to rectify the issues discussed?															
Section C: Boardroom activities																
7.	Do the Board members see to it that the meeting minutes reflect the substance of board deliberations including the questions that have been raised, any dissent expressed and challenges that have been brought on management's assumptions? <i>For this question, please provide comments below.</i> Comments:															
8.	Did the Board accord adequate attention to discuss strategic issues that impact the Company's value creation process? <i>For this question, please indicate your rating based on the description below.</i> <table border="1" data-bbox="230 829 477 1072"> <thead> <tr> <th>Grading</th> </tr> </thead> <tbody> <tr> <td>Satisfactory "S"</td> </tr> <tr> <td>Good "G"</td> </tr> <tr> <td>Excellent "E"</td> </tr> </tbody> </table> <table border="1" data-bbox="230 1112 1852 1420"> <thead> <tr> <th>Description</th> </tr> </thead> <tbody> <tr> <td>The Board only endorsed the strategic plan set by Management.</td> </tr> <tr> <td>The Board held discussions with Management and was fairly involved in setting the strategic plan of the Company.</td> </tr> <tr> <td>The Board was intimately involved in the formulation of strategic plan with adequate review of the factors affecting the company and the views of stakeholders.</td> </tr> <tr> <td>The Board devoted adequate time and effort to set the Company's strategic plan with a periodic review of the plan amidst the changing business environment and expectations of stakeholders.</td> </tr> </tbody> </table>	Grading	Satisfactory "S"	Good "G"	Excellent "E"	Description	The Board only endorsed the strategic plan set by Management.	The Board held discussions with Management and was fairly involved in setting the strategic plan of the Company.	The Board was intimately involved in the formulation of strategic plan with adequate review of the factors affecting the company and the views of stakeholders.	The Board devoted adequate time and effort to set the Company's strategic plan with a periodic review of the plan amidst the changing business environment and expectations of stakeholders.	<table border="1" data-bbox="1906 1104 2022 1407"> <thead> <tr> <th>Grading</th> </tr> </thead> <tbody> <tr> <td></td> </tr> <tr> <td></td> </tr> <tr> <td></td> </tr> <tr> <td></td> </tr> </tbody> </table>	Grading				
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Assessment criteria <i>(Note: additional comments can be included beside the grading)</i>		Grading
Strategy is made a standing item of the boardroom agenda and strategic deliberations are conducted regularly with periodic benchmarking and analysis of external environment to stress-test the viability of the strategic options.		
9. Does the Board challenge Management's plans, assumptions, approach and outcomes in a constructive, productive and effective manner, and in doing so, improve the quality of Management's decision-making?		
10. Does the Board accord adequate time and attention in developing a succession plan for Senior Management officers, including the Managing Director?		
11. Does the Board ensure that the Company engages in regular, effective and fair communication with its shareholders and other stakeholders?		
12. Does the Board recognise areas which require improvement within the Company and articulate them with conviction during boardroom deliberations? <i>For this question, please provide comments below.</i> Comments:		
Additional comments		

Assessment Topic 2: Directors' Self and Peer Assessment

The Directors' Self and Peer Assessment Form facilitates self-assessment by each Director as well as the assessment of their peers on the Board. The Form contains the following areas of assessment:

- Section A: Contribution and performance;
- Section B: Calibre and personality;
- Assessment questions relevant to the Chairman of the Board; and
- Assessment questions relevant to the Managing Director.

The criteria for the Directors' Self and Peer Assessment were developed based regulatory provisions as well as emerging and leading practices, customised to the needs of Duopharma.

The questionnaire should be completed using the grading system of "Satisfactory", "Good" or "Excellent", represented by 'S', 'G' and 'E' respectively.

The assessment criteria are as follows:

[illegible]

Assessment criteria (Note: additional comments can be included beside the grading)	Individual Director's grading (self-assessment)	Grading of each peer								
		A	B	C	D	E	F	G	H	I
8. Able to pursue an unpopular stance on issues critical to the success of Duopharma whilst being mindful of relevant rules and regulations affecting Duopharma's operations.										
Additional comments										

The questionnaire should be completed using the grading system of "Satisfactory", "Good" or "Excellent", represented by 'S', 'G' and 'E' respectively.

Assessment questions relevant to the Chairman of the Board:

Assessment criteria (Note: additional comments can be included beside the grading)	Individual Director's grading (including self-assessment by the Chairman)
1. The Chairman leads the Board in an effective manner and drives the "tone at the top" by encouraging ethical business practices and compliance with relevant laws, regulations and corporate governance promulgations.	
2. The Chairman accords adequate time to deliberate on contentious issues, allows dissenting views to be expressed freely during Board discussions and encourages active participation from all members of the Board.	

The questionnaire should be completed using the grading system of “Satisfactory”, “Good” or “Excellent”, represented by ‘S’, ‘G’ and ‘E’ respectively.

Assessment questions relevant to the Managing Director:

Note: These additional assessment questions focus on performance attributes of the Managing Director, and address areas of responsibility that are generally not part of a non-executive director’s duties, i.e. they relate to strategy execution and day-to-day management.

Assessment criteria (Note: additional comments can be included beside the grading)	Individual Director’s grading (including self-assessment by the Managing Director)
1. The Managing Director has managed to drive revenue growth, by: <ul style="list-style-type: none"> • Timely identifying opportunities; • Being responsive to Duopharma’s customers; • Being in touch with emerging trends in the industry; and • Holding direct reports accountable for growth targeted in their identified sectors. 	
2. The Managing Director maintains a consistently high quality of service, by: <ul style="list-style-type: none"> • Emphasising quality of service and a customer-first mentality in employees (e.g. reaching out regularly to customers to gauge their sentiment towards Duopharma); • Encouraging collaboration between divisions and departments in resolving issues regarding customer service; and • Creatively developing solutions to customers’ issues and challenges during and after encounters with customers. 	

Assessment Topic 3: Independent Director's self-assessment

Independent directors have the mandate of bringing objectivity to the oversight function of the board. The objectivity inherent to these directors allows them to debate with and challenge the management in a relatively more unbiased manner compared to executive directors. The Independent Director Self-assessment form contains the following category:

- Section A: Background;
- Section B: Economic relationship;
- Section C: Family relationships;
- Section D: Tenure; and
- Section E: Qualitative assessment (Indicate response by using the rating provided in the table).

The criteria for the Independent Director's self-assessment were developed based on regulatory provisions as well emerging and leading practices, customised to the needs of Duopharma.

The questionnaire should be completed using the grading system of 'Yes' and 'No', represented by 'Y' and 'N' respectively. For Section E, please complete the forms using the indicators therein. The assessment criteria are as follows:

Statement (Note: additional comments can be included beside the grading)	Answer (self-assessment)
Section A: Background	
1. You are or have been within the last 2 years, an Executive Director or an officer (except as a Non-Executive Director) of Duopharma, its subsidiaries, holding company or any related corporations.	
2. You are acting as a nominee or representative of any executive director or a major shareholder ¹ of Duopharma.	
3. You are a person and/or a Director of a body corporate who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of a Director, officer or substantial shareholder) of Duopharma or any of its related entities.	

¹ Major shareholder refers to a person who has an interest in 10% or more of the total number of voting shares in the corporation; or 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.

Statement <i>(Note: additional comments can be included beside the grading)</i>	Answer (self-assessment)
4. You hold cross-directorships or have any significant links with other directors through involvement in other companies, body corporate or entities whereby cross-directorship or links could materially hamper your independent judgement or ability to act in the best interests of Duopharma.	
Section B: Economic relationship	
5. You have, within the last 2 years, engaged in any transaction with Duopharma whether with other persons or through a firm or a company of which you are a partner, director or substantial shareholder, where the consideration in aggregate exceeds 5% of the gross revenue on a consolidated basis (where applicable) of yourself or Duopharma or RM1 million, whichever is higher.	
6. You are or have been engaged as a professional adviser by Duopharma or any related entities of the organisation, either personally or through a firm or company of which you are a partner, director or major shareholder.	
7. You have received performance-based remuneration or incentives from Duopharma or any of its related entities.	
Section C: Family relationship	
8. You are a family member of any executive director, officer, beneficiary or major shareholder of Duopharma.	
Section D: Tenure	
9. Should your tenure as an Independent Director of Duopharma exceeded 9 years, have you been re-designated to a Non-Executive Non-Independent Director or has the Board obtained approval from shareholders annually to retain you as an Independent Director? <i>Note: A two-tier shareholder approval should be sought to retain an independent director beyond the 12th year.</i>	
Section E: Qualitative assessment (“Independence in thought and mind”) <i>Note: Guidance to Practice 4.2 of the MCGG states that in considering independence, it is necessary to focus not only on whether a director’s background and current activities qualify him or her as independent but also whether the director can act independently of management. This qualitative assessment rating is not computed and only serves for corroborative purpose.</i>	

Statement <i>(Note: additional comments can be included beside the grading)</i>	Answer (self-assessment)												
<p>10. I approach any Board approval sought for a transaction with a watchful eye and an inquiring mind (professional scepticism). <i>For this question, please indicate your grading based on the description below.</i></p> <div data-bbox="230 474 477 683"> <table border="1"> <tr><td>Grading</td></tr> <tr><td>Satisfactory "S"</td></tr> <tr><td>Good "G"</td></tr> <tr><td>Excellent "E"</td></tr> </table> </div> <div data-bbox="230 707 1135 1007"> <table border="1"> <tr><td>Description</td></tr> <tr><td>I exhibit limited vigilance.</td></tr> <tr><td>I am only watchful on contentious and financially risky transactions (for example, when other directors start questioning the proposed transaction or I know of disagreements amongst the Senior Management team).</td></tr> <tr><td>I am always vigilant and exercise professional scepticism on all transactions proposed for approval at the Board level.</td></tr> </table> </div>	Grading	Satisfactory "S"	Good "G"	Excellent "E"	Description	I exhibit limited vigilance.	I am only watchful on contentious and financially risky transactions (for example, when other directors start questioning the proposed transaction or I know of disagreements amongst the Senior Management team).	I am always vigilant and exercise professional scepticism on all transactions proposed for approval at the Board level.	<div data-bbox="1906 710 2056 1003"> <table border="1"> <tr><td>Grading</td></tr> <tr><td></td></tr> <tr><td></td></tr> <tr><td></td></tr> </table> </div>	Grading			
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Grading													
<p>11. I am not afraid to express an unpopular stance on issues, or express disagreement on matters and actively pursue the matter with the rest of the Board and with the Management team. <i>For this question, please indicate your grading based on the description below.</i></p> <div data-bbox="230 1171 477 1380"> <table border="1"> <tr><td>Grading</td></tr> <tr><td>Satisfactory "S"</td></tr> <tr><td>Good "G"</td></tr> <tr><td>Excellent "E"</td></tr> </table> </div>	Grading	Satisfactory "S"	Good "G"	Excellent "E"									
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<p>12. I demonstrate clarity of thought, objectivity in problem solving and offer considered advice so that decisions taken by the Board are not unfairly biased towards the interests of a shareholder, member, Director or member of the Management team. <i>For this question, please indicate your grading based on the description below.</i></p> <table border="1"> <thead> <tr> <th>Grading</th> </tr> </thead> <tbody> <tr> <td>Satisfactory "S"</td> </tr> <tr> <td>Good "G"</td> </tr> <tr> <td>Excellent "E"</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Description</th> </tr> </thead> <tbody> <tr> <td>I listen sensitively to the views of other Board members, and I am able to decide dispassionately but I rarely bring objective viewpoints to the said Board deliberations.</td> </tr> <tr> <td>I listen sensitively to the views of other Board members, I am able to decide dispassionately and I often bring objective viewpoints as well.</td> </tr> </tbody> </table>		Grading	Satisfactory "S"	Good "G"	Excellent "E"	Description	I listen sensitively to the views of other Board members, and I am able to decide dispassionately but I rarely bring objective viewpoints to the said Board deliberations.	I listen sensitively to the views of other Board members, I am able to decide dispassionately and I often bring objective viewpoints as well.		<table border="1"> <thead> <tr> <th>Grading</th> </tr> </thead> <tbody> <tr><td></td></tr> <tr><td></td></tr> </tbody> </table>	Grading		
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Statement <i>(Note: additional comments can be included beside the grading)</i>		Answer (self-assessment)
<div>Description</div> <div> I listen sensitively to the views of other Board members, I am able to decide dispassionately and I always bring objective viewpoints to the discussion. I offer advice based on my judgement in my attempt to ensure that the decisions made are in the best interest of the Company. </div>		<div>Grading</div> <div></div>
Additional comments		

Assessment Topic 4: Audit Committee Assessment

The Audit Committee (“AC”) Form contains the following areas of assessment:

- Section A: Composition and governance;
- Section B: Meeting administration and conduct;
- Section C: Skills and competencies;
- Section D: Oversight of financial reporting process, including internal controls and the audit function;
- Section E: Disclosure;
- Assessment questions relevant to the Chairman of the Audit Committee

The criteria for the AC Assessment were developed based regulatory provisions as well as emerging and leading practices, customised to the needs of Duopharma.

The questionnaire should be completed using the grading system of “Satisfactory”, “Good” or “Excellent”, represented by ‘S’, ‘G’ and ‘E’ respectively.

The assessment criteria are as follows:

Assessment criteria <i>(Note: additional comments can be included beside the grading)</i>		Grading
Section A: Composition and governance		
1.	Does the composition of the AC allow for AC members to exercise objectivity and independence in performing their duties and responsibilities?	

Assessment criteria <i>(Note: additional comments can be included beside the grading)</i>	Grading
<p>2. Does the composition of the AC members include an appropriate range of experiences and qualifications, including possessing appropriate financial literacy, to meet the objectives of the AC in Duopharma?</p> <p><u>Explanatory note:</u> Financial literacy could be interpreted as having substantially all of the following:</p> <ul style="list-style-type: none"> • the ability to read and understand financial statements; • the ability to understand and assess the general application of accounting principles; • the ability to ask pertinent questions and challenge management's assertions on the financials and reporting process; • the ability to understand internal controls and risk factors; • experience gained through executive responsibility for a sizeable business including having had responsibility for financial oversight responsibilities; • education/professional qualifications relating substantially to accounting/finance; and • experience in working within the areas of corporate finance, financial reporting or accounting. 	
Section B: Meeting administration and conduct	
<p>3. Does the AC meet with sufficient regularity to review and deliberate matters of concern?</p> <p><u>Explanatory note:</u> As stated in the 3rd edition of the Bursa Malaysia Corporate Governance Guide, it is recommended that there should be at least five audit committee meetings during the year, held to coincide with the key dates within the financial reporting (quarterly results and annual reporting) and audit cycle.</p>	
Section C: Skills, competencies and professional development	
<p>4. Does the AC ask tough and probing questions to the internal auditor and/or Management and exercise appropriate level of professional vigilance and scepticism?</p>	
<p>5. What measures does the AC take in ensuring its members undergo continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules? <i>For this question, please provide comments below.</i></p> <p><u>Explanatory note:</u> Section 410.4 of the By-Laws (on Professional Ethics, Conduct and Practice) by the Malaysian Institute of Accountants requires its members to complete at least 20 hours of continuous professional education within a year and at least 120 hours over a triennium.</p> <p>Comments:</p>	

Assessment criteria (Note: additional comments can be included beside the grading)		Grading
Section D: Oversight of financial reporting process, including internal controls and the Audit function		
6.	Does the AC review and report to the Board, the quarterly results and year-end financial statements, before approval by the Board, focusing particularly on: <ul style="list-style-type: none"> i) changes in or implementation of major accounting policy changes; ii) significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions and how these matters are addressed; and iii) compliance with applicable approved financial reporting standards and other legal requirements? 	
7.	Does the AC meet with the lead audit partner, and other members of the audit team, when necessary, without the presence of Management, to discuss issues arising from the audit, evaluation of the systems of internal control, and any other matters that the auditor may wish to raise with the AC and vice versa?	
Section E: Disclosure		
8.	Does the AC Terms of Reference clearly set out the authority and responsibilities of the AC? Is the Terms of Reference easily accessible to shareholders and other stakeholders? <i>For this question, please provide comments below.</i> Comments:	
Additional comments		

Assessment questions relevant to the Chairman of the Audit Committee:

Assessment criteria <i>(Note: additional comments can be included beside the grading)</i>	Individual Director's grading (self- assessment, including by the Chairman)
9. The AC Chairman establishes and maintains a good working relationship with the Managing Director and Senior Management team, external auditor and internal auditors including providing support and advice whilst respecting executive responsibilities.	
10. The AC Chairman exercises the highest level of independence and financial vigilance and advises the Board appropriately should there be any financial or accounting discrepancies.	

Assessment Topic 5: Nomination and Remuneration Committee Assessment

The Nomination and Remuneration Committee (“NRC”) Form contains the following areas of assessment:

- Section A: Composition and governance;
- Section B: Meeting administration and conduct;
- Section C: Skills and competencies;
- Section D: Duties and responsibilities in relation to nomination matters;
- Section E: Duties and responsibilities in relation to remuneration matters;
- Section F: Disclosure; and
- Assessment questions relevant to the Chairman of the Nomination and Remuneration Committee.

The criteria for the NRC Assessment were developed based regulatory provisions as well as emerging and leading practices, customised to the needs of Duopharma.

The questionnaire should be completed using the grading system of “Satisfactory”, “Good” or “Excellent”, represented by ‘S’, ‘G’ and ‘E’ respectively.

The assessment criteria are as follows:

Assessment criteria (Note: additional comments can be included beside the grading)		Grading
Section A: Composition and governance		
1.	Does the composition of the NRC allow for NRC members to exercise objectivity and independence in performing their duties and responsibilities in the best interest of Duopharma?	
Section B: Meeting administration and conduct		

Assessment criteria <i>(Note: additional comments can be included beside the grading)</i>	Grading
2. Does the NRC seek independent professional advice as required to perform its roles and responsibilities (e.g. benchmarking exercise or scouring of talent) and invite persons with relevant experience to attend its meetings, if necessary?	
Section C: Skills and competencies	
3. Do the NRC members possess the required knowledge, skills and competencies to evaluate potential Directors or candidates for directorships and Management and to review remuneration matters as well as setting up the remuneration policies?	
Section D: The duties and responsibilities in relation to nomination matters	
4. Does the NRC regularly review the policy on Board diversity to ensure its continued effectiveness and relevance to the needs of the Company? <i>For this question, please provide comments below.</i> <u>Explanatory note:</u> Practice 4.4 of MCCG calls for the appointment of board directors and senior management to be based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. Comments:	
5. Has the NRC develop a succession plan for Board members, including the Chairman, and Senior Management officers, including the Managing Director, to ensure minimal business disruption in the event of a change in personnel? <i>For this question, please provide comments below.</i> Comments:	
Section E: The duties and responsibilities in relation to remuneration matters	
6. Has the remuneration structure been designed in such a way that it supports Duopharma's culture, objectives, strategies, risk appetite whilst being reflective of the responsibilities and commitment which goes with Board membership and responsibilities of the Managing Director and Senior Management officers?	
7. Does the NRC's recommendation on remuneration of Duopharma's Managing Director and Non-Executive Directors reflect the remuneration level and trend seen for directors of a similar position in the market and time commitment required from the director?	
8. Are the remuneration policies and procedures for Directors and Senior Management's remuneration reviewed on a regular basis and kept contemporary with the developments and evolving needs of Duopharma? <i>For this question, please provide comments below.</i>	

Assessment criteria <i>(Note: additional comments can be included beside the grading)</i>	Grading
Comments:	
Section F: Disclosure	
<p>9. Does the NRC Terms of Reference clearly sets out the authority and responsibilities of the NRC? Among others, are the separation of roles for nomination and remuneration matters clearly demarcated in ensuring that there are no overlapping of duties and responsibilities? Further, is the Terms of Reference easily accessible to shareholders and other stakeholders? <i>For this question, please provide comments below.</i></p> <p><u>Explanatory note:</u></p> <p>Paragraph 15.08A(2) of Bursa Securities Listing Requirements mandates listed issuers to have a written terms of reference which deals with the NRC's authority which must include the selection and assessment of directors, and such information must be made available on the listed issuer's website.</p> <p>Comments:</p>	
Additional comments	

Assessment questions relevant to the Chairman of the Nomination and Remuneration Committee:

Assessment criteria <i>(Note: additional comments can be included beside the grading)</i>	Individual Director's grading (self- assessment, including by the Chairman)
10. The NRC Chairman establishes and maintains a good working relationship with the Managing Director and Senior Management team as well as the Group Human Resources Department including providing support and advice whilst respecting executive responsibilities.	
11. The NRC Chairman accords sufficient time to fairly deliberate on both nomination and remuneration issues during meetings with adequate attention and time for both matters.	
12. The NRC Chairman exercises the highest level of independence, collaborates with the risk management function (i.e. Risk Management Committee) and advises the Board appropriately to ensure that nomination and remuneration policies do not lead to imprudent risk-taking.	

Assessment Topic 6: Risk Management Committee Assessment

The Risk Management Committee (“RMC”) Assessment will be facilitated via the use of RMC Assessment Form, with assessment criteria for self-assessment by each RMC member. The RMC Assessment Form contains the following areas of assessment:

- Section A: Composition and governance;
- Section B: Meeting administration and conduct;
- Section C: Skills and competencies;
- Section D: The duties and responsibilities of the RMC;
- Section E: Disclosure; and
- Assessment questions relevant to the Chairman of the Risk Management Committee

The questionnaire should be completed using the grading system of “Satisfactory”, “Good” or “Excellent”, represented by ‘S’, ‘G’ and ‘E’ respectively.

The criteria for the RMC Assessment Form were customised to meet the needs of Duopharma. The assessment criteria for the RMC Assessment are summarised as follows:

Assessment criteria (Note: additional comments can be included beside the grading)		Grading
Section A: Composition and governance		
1.	Does the composition of the RMC allow for RMC members to exercise objectivity and independence in performing their duties and responsibilities?	
2.	Has the RMC undertake measures to co-ordinate with the AC in order to prevent overlaps in the duties and oversight responsibilities of the RMC and AC? <i>For this question, please provide comments below.</i> Comments:	
Section B: Meeting administration and conduct		
3.	Are the meeting minutes of the RMC meetings complete, accurate and circulated in a timely manner? Does the minutes reflect the key elements of debates, details of recommendations and agreed-upon follow-up actions?	

Assessment criteria <i>(Note: additional comments can be included beside the grading)</i>	Grading
4. Does the RMC seek independent professional advice as required to perform its roles and responsibilities and invite persons with relevant experience to attend its meetings, if necessary?	
Section C: Skills and Competencies	
5. Do the RMC members exhibit appropriate understanding of risks relevant to the pharmaceutical industry, and have a diversity of knowledge and expertise required to perform the RMC's duties and responsibilities?	
Section D: The duties and responsibilities of the RMC	
6. Does the RMC adequately incorporate strategy and corporate culture considerations in setting the risk appetite or risk tolerance level of the Company?	
7. Is the risk management framework sufficiently robust to promote an integrated approach to evaluate, monitor and manage interrelated risks (i.e. does the framework capture both quantitative and qualitative elements of the various risks in an integrated manner?) Is the framework reviewed by the RMC on a regular basis and kept contemporary with developments of Duopharma, its industry and the economic environment? <u>Explanatory note:</u> The exposure to nuanced risks such as reputational risks is often overlooked and not integrated as part of a company's risk management framework, ultimately to a company's detriment.	
8. Does the RMC timely escalate/make recommendations to the Board and the Board Committee on risk-related matters that may affect the Company	
Section E: Disclosure	
9. Is there a disclosure on the features and effectiveness of Duopharma's risk management and internal control framework? <i>For this question, please provide comments below.</i> <u>Explanatory note:</u> As stated in Guidance to Practice 9.2 of MCCG, the board should disclose whether it has conducted an annual review and periodic testing of the company's internal control and risk management framework, including any insights gained and any changes made to these frameworks as a result. The disclosure should also include a discussion on how key risk areas were evaluated. Where information is commercially sensitive and may give rise to competitive risk, disclosure in general terms is acceptable Comments:	

Assessment criteria (Note: additional comments can be included beside the grading)	Grading
10. Does the RMC report/disclosure clearly set out the composition of the RMC, summary of the RMC's TOR, number of meetings held in a year and a section describing Duopharma's risk management framework?	
Comments:	
Additional Comments	

Assessment questions relevant to the Chairman of the Risk Management Committee:

Assessment criteria (Note: additional comments can be included beside the grading)	Individual Director's grading (self-assessment, including by the Chairman)
11. The RMC Chairman establishes and maintains a good working relationship with the Managing Director and Senior Management team as well as the Executive Risk Management Committee and the Group Risk Management Department including providing support and advice whilst respecting executive responsibilities.	
12. The RMC Chairman collaborates and streamlines all key decision-making on risk related matters with other relevant Board Committees and advises the Board appropriately to ensure that the Company does not engage in asymmetrical and excessive risk-taking activities.	

Assessment Topic 7: Halal and Sustainability Committee Assessment

The Halal and Sustainability Committee (“HSC”) Assessment will be facilitated via the use of HSC Assessment Form, with assessment criteria for self-assessment by each HSC member. The HSC Assessment Form contains the following areas of assessment:

- Section A: Composition and governance;
- Section B: Meeting administration and conduct;
- Section C: Skills and competencies;
- Section D: The duties and responsibilities of the HSC;
- Section E: Oversight of integrity matters;
- Section F: Disclosure; and
- Assessment questions relevant to the Chairman of the HSC.

The questionnaire should be completed using the grading system of “Satisfactory”, “Good” or “Excellent”, represented by ‘S’, ‘G’ and ‘E’ respectively.

The criteria for the HSC Assessment Form were customised to meet the needs of Duopharma. The assessment criteria for the RMC Assessment are summarised as follows:

Assessment criteria (Note: additional comments can be included beside the grading)		Grading
Section A: Composition and governance		
1.	Does the composition of the HSC allow for HSC members to exercise objectivity and independence in performing their duties and responsibilities?	
2.	Has the HSC undertaken measures to co-ordinate with other Board Committees in order to prevent overlaps or duplications of duties in the overall stewardship of the Group’s Halal Pharmaceuticals Agenda (“HPA”)? For this question, please provide comments below. Comments:	
Section B: Meeting administration and conduct		

Assessment criteria <i>(Note: additional comments can be included beside the grading)</i>	Grading
3. Are the meeting minutes of the HSC meetings complete, accurate and circulated in a timely manner? Does the minutes reflect the key elements of debates, details of recommendations and agreed-upon follow-up actions and are meeting materials succinctly presented in a concise and comprehensible manner?	
Section C: Skills and Competencies	
4. Do the HSC members exhibit appropriate understanding of the halal pharmaceutical industry, and have a wide range of knowledge and expertise (especially in Shariah law) required to perform the HSC's duties and responsibilities?	
5. To what extent do the HSC members stay abreast of the latest halal pharmaceutical standards, practices and regulations?	
Section D: The duties and responsibilities of the HSC	
6. Does the HSC ensure alignment and integration of the HPA with other relevant overarching initiatives including formulation of strategies, development of business plans, budgeting process and performance review of Duopharma?	
7. To what extent does the HSC engage and provide direction to Management on identification of strategic opportunities, building potential business partnerships and maintaining strong relationships with key stakeholders/partners in advancing Duopharma's halal initiatives. <u>Explanatory note:</u> Key stakeholders/partners for Duopharma in the area of halal pharmaceutical include, amongst others, regulatory and governmental bodies (i.e. National Pharmaceutical Control Bureau, Ministry of Health, SIRIM, Halal Industry Development Corporation), religious councils and bodies (i.e. Department of Islamic Development Malaysia (JAKIM)), halal industry advocates (i.e. Malaysia International Halal Showcase (MIHAS)) as well as research institutions and universities.	
8. Does the HSC escalate and make recommendations in a timely manner to the Board or the RMC on risks related matters that may impact or impede Duopharma's Halal integrity?	
Section E: Oversight of integrity matters	
9. Does the HSC undertake measures to ensure it is kept abreast of the latest regulatory legislations governing matters relevant to protecting the Company's integrity (e.g. environment, health and safety regulations, legislations such as Malaysian Anti-Corruption Commission Act 2009, Whistleblower Protection Act 2010, Personal Data Protection Act 2010)?	
10. Are policies and procedures that govern Duopharma's ethical conduct, such as the Whistleblowing Policy and the Code of Conduct, regularly reviewed by the HSC?	

Assessment criteria (Note: additional comments can be included beside the grading)	Grading
Section F: Disclosure	
11. Are there forthcoming disclosures on Duopharma's formalised halal policy/agenda/initiatives including a description on the nexus with Duopharma's overall strategy? <i>For this question, please provide comments below.</i>	
Comments:	
Additional Comments	

Assessment questions relevant to the Chairman of the Halal Committee:

Assessment criteria (Note: additional comments can be included beside the grading)	Individual Director's grading (self- assessment, including by the Chairman)
12. The HSC Chairman possess a profound understanding of the halal pharmaceutical industry and market and he leads the Committee in an effective manner by lending his expertise in deliberations and strategies.	
13. The HSC Chairman establishes and maintains a good working relationship with Management in providing oversight over the sustainability of the Group's Halal integrity in matters of policy, strategies, Halal Assurance Management System (HAS) and Halal-related Research & Development (R&D) initiatives, within the Group.	
14. The HSC Chairman coordinates and streamlines all key decision-making on halal risk related matters with other relevant Board Committees and advises the Board appropriately to ensure that the Company continues to be a Shariah-compliant security?	

Assessment Topic 7: Medical and Research Committee Assessment

The Medical and Research Committee (“MRC”) Assessment will be facilitated via the use of HC Assessment Form, with assessment criteria for self-assessment by each MRC member. The MRC Assessment Form contains the following areas of assessment:

- Section A: Composition and governance;
- Section B: Meeting administration and conduct;
- Section C: The duties and responsibilities of the MRC; and
- Assessment questions relevant to the Chairman of the MRC.

The questionnaire should be completed using the grading system of “Satisfactory”, “Good” or “Excellent”, represented by ‘S’, ‘G’ and ‘E’ respectively.

The criteria for the MRC Assessment Form were customised to meet the needs of Duopharma. The assessment criteria for the MRC Assessment are summarised as follows:

Assessment criteria <i>(Note: additional comments can be included beside the grading)</i>	Grading
Section A: Composition and governance	
<p>1. Do the MAC members exhibit an appropriate understanding of the risks attendant to Duopharma Biotech’s businesses, strategies and clinical governance and have a diversity of knowledge and expertise required to perform the MAC’s duties and responsibilities?</p> <p><u>Explanatory note:</u></p> <p>Drawing parallels to the stipulation in the Private Healthcare Facilities & Services Act 1998, it would be desirable for the members of the MAC to possess expertise in the healthcare sector to advise Management on aspects such as research, quality control, innovation and ethics.</p> <p>Comments:</p>	
<p>2. Does the MAC Chairman have adequate time scheduled to fulfil his responsibilities, possess knowledge of the relevant matters and is equipped with strong leadership skills?</p> <p>Comments (if any):</p>	

Assessment criteria <i>(Note: additional comments can be included beside the grading)</i>	Grading
<p>3. Does the MAC pivots its governance model and practices against authoritative clinical governance guidelines (i.e. MOH's Framework Document and Companion Guide for the Integrated Management of Quality, Safety and Risk in The Malaysian Health Care System ("Framework"))?</p> <p><u>Explanatory note:</u> Developed in 2010, the Framework entitled "ACHIEVING EXCELLENCE IN CLINICAL GOVERNANCE" espouses good clinical governance structure for healthcare entities based on three key facets: i. Donabedian's "structure ii. Core processes and programmes and iii. Performance indicators. The comprehensive Framework also produced detailed KPIs for clinical governance and tools for assessing clinical governance effectiveness.</p> <p>Comments (if any):</p>	
Section B: Meeting administration and conduct	
<p>4. Are the meeting minutes of the MRC meetings complete, accurate and circulated in a timely manner? Does the minutes reflect the key elements of debates, details of recommendations and agreed-upon follow-up actions and are meeting materials succinctly presented in a concise and comprehensible manner?</p>	
Section C: The duties and responsibilities of the MRC	
<p>5. How would MAC rate the support provided by Management in advising the MAC on project pipelines and its intricacies in order for the MAC to fully discharge its responsibilities?</p> <p>Comments (if any):</p>	
<p>6. How robust are the deliberations on reviewing and validating the research and development (R&D) activities (including ethical relating considerations) between the members of the MAC?</p> <p>Comments (if any):</p>	
Additional Comments	



Policy on External Auditor

Duopharma Biotech Berhad

Version: 3.0

Effective Date: 14 March 2018

Reference No: Duopharma Biotech/PEA/03

Updated: 9 December 2021

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Appendix

1. Introduction

1.1 Policy statement

- 1.1.1 The Board of Directors (the “Board”) including the Audit and Integrity Committee of Duopharma Biotech Berhad (“Duopharma Biotech” or the “Company”) is committed in ensuring the suitability, objectivity and independence as well as the sound performance of the external auditor.
- 1.1.2 The Company, through the Audit and Integrity Committee has established a transparent and formal relationship with the external auditor who is ultimately accountable to the Company’s shareholders. The Company’s external auditor plays an essential role in providing credibility to the financial statements by performing the requisite audit procedures so as to have a reasonable basis for the opinion that they render on the financial statements.
- 1.1.3 The objective of the Policy on External Auditor (“this Policy”) is to outline guidelines and procedures for the Audit and Integrity Committee to assess and monitor the external auditor and its affiliates in order to preserve the integrity and credibility of the external audit process.

1.2 Scope and application

- 1.2.1 This Policy should be read together with the relevant enumerations encapsulated in the following legislations:
 - (a) Companies Act 2016;
 - (b) Capital Markets and Services Act 2007 (Amendment 2012); and
 - (c) Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).
- 1.2.2 Where there is a conflict between the contents of this Policy and the aforementioned legislations, the relevant enumerations contained in the said legislations shall prevail.
- 1.2.3 This Policy is also developed in alignment with the Malaysian Code on Corporate Governance (“MCCG”), and the By-Laws (on Professional Ethics, Conduct and Practice) by the Malaysian Institute of Accountants (“MIA”).

1.3 Definitions

1.3.1 These terms are ascribed with the following definitions in relation to this Policy:

Terms	Definition
Affiliate of the external audit firm	Entities that are connected to the external audit firm including those providing advisory services and tax consulting
External audit	Services in relation to the statutory audit of the financial statements
Independence in appearance	the avoidance of facts and circumstances where a reasonable and informed third party, having knowledge of all relevant information, including any safeguards applied, would reasonably conclude that the individual's integrity or objectivity has been compromised.
Independence of mind	Refers to the state of mind that enables individuals to exercise professional judgment without undue influence so that they are allowed to act with integrity and to be objective.
Key audit partner	The engagement partner, the individual responsible for the engagement of quality control review, and other audit partners, if any, on the engagement team who make key decisions or judgments on significant matters with respect to the audit of the financial statements on which the external auditor will express an opinion
Non-audit services	Services that are not related to the performance of the statutory audit.
Objectivity	A state of mind that imposes upon an individual the obligation to be impartial and free from conflicts of interest.

2. Appointment and removal of external auditor

2.1 Appointments and resignations

- 2.1.1 The Audit and Integrity Committee has been entrusted with the responsibility of recommending the appointment or re-appointment of the external auditor for the concurrence of the Board prior to being tabled as a resolution for the approval of shareholders at the Annual General Meeting ("AGM").
- 2.1.2 Shareholders shall at each AGM (by way of an ordinary resolution) appoint the external auditor and the external auditor appointed shall hold office until the conclusion of next AGM of the Company *[Section 271(3) and (4) of Companies Act 2016]*. Shareholders (by way of an ordinary resolution and a special notice) are also entitled to remove the external auditor at any time *[Section 276(1) of Companies Act 2016]*.
- 2.1.3 In the event of a resignation of the external auditor, the Audit and Integrity Committee alongside the Board shall review the letter of resignation from the external auditors and send a copy of the resignation notice and representations made by the external auditor to the Registrar of the Companies Commission of Malaysia and the Exchange within seven days from the date of resignation *(Paragraphs 15.12 and 15.22 of Listing Requirements; and Section 282 of Companies Act 2016)*.

2.2 Assessment of external auditor

- 2.2.1 The Audit and Integrity Committee's recommendation on the appointment of external auditor to the Board shall be anchored on a defined set of criteria. In addition to the aspects of independence and objectivity, the Audit and Integrity Committee when appointing an external auditor, shall amongst others consider:
- a) the adequacy of the experience and resources of the external audit firm;
 - b) the persons assigned to the external audit engagement;
 - c) the external audit firm's audit engagements;
 - d) the size and complexity of the subject matter being audited; and
 - e) the number and experience of supervisory and professional staff assigned to the particular external audit engagement.
- (Paragraph 15.21 of Listing Requirements)*
- 2.2.2 Annually, the Audit and Integrity Committee shall review the re-appointment of the external auditor and ascertain whether there is reason (supported by grounds) to believe that the external auditor is not suitable for re-appointment *[Paragraph 15.12(1)(f) of Listing Requirements]*.
- 2.2.3 If the external auditor is deemed to be not suitable, the Audit and Integrity Committee should source for alternative external audit firms via a formal tender process and make recommendations to the Board. In conducting this assessment, the Audit and Integrity Committee shall also gather feedback from the Chief Financial Officer and other relevant Senior Management personnel.

2.2.4 In assessing the quality of services rendered by the external auditor during the year under review, the Audit and Integrity Committee may be guided by the following non-exhaustive indicators:

- a) adequacy of audit scope;
- b) ability of the external audit firm to meet audit deadlines;
- c) timeliness in escalating audit issues to the audit committee;
- d) allocation of resources to significant audit risk areas; and
- e) effectiveness of the external audit firm's recommendations in addressing weaknesses observed during previous audits, particularly on internal controls relevant to financial reporting process.

2.2.5 The assessment of the external auditor shall also consider information presented in the Annual Transparency Report of the audit firm (as outlined below). If the external audit firm is not required to issue an Annual Transparency Report¹, the Audit and Integrity Committee will engage the external audit firm on matters typically covered in an Annual Transparency Report including the external audit firm's governance and leadership structure as well as measures undertaken by the firm to uphold audit quality and manage risks (*Guidance to Practice 9.3 of MCCG*).

Legal and governance structure

- Legal and ownership structure
- Governance and leadership structure
- Network and structural arrangements
- Disclosure on partners with substantial equity in the partnership
- Disclosure on family relationship between partners undertaking leadership role or holding substantial equity in the partnership with other partners of the external audit firm

Measures undertaken by the external audit firms to uphold audit quality and manage risks

- Firm's systems of quality controls
- Accountability framework for partners
- Compliance monitoring
- Risk management process

Information on the external audit firm's measurement of indicators for audit quality comprising 15 indicators to be disclosed relating to:

- Audit partner workload
- Auditor independence
- Capacity and competence of the firm
- Audit engagement supervision
- Firm's investments to uphold quality
- Monitoring reviews on quality

The evaluation form for assessing the external auditor is outlined in **Appendix 1** of this Policy.

¹ Audit firms registered with the Audit Oversight Board (AOB) with more than 50 public interest entity ("PIE") audit clients; and total market capitalisation of the audit firm's PIE clients above RM10 billion at the end of the calendar year for two consecutive years are required to issue an Annual Transparency Report. For other AOB-registered audit firms that do not meet the above criteria, they are encouraged to issue an Annual Transparency Report.

2.3 Remuneration of external auditor

- 2.3.1 The Board shall be authorised by shareholders vide an ordinary resolution at the AGM to fix the remuneration of the external auditor *[Section 274(1) of Companies Act 2016]*. Remuneration in this context includes sums paid in respect of expenses and payment otherwise than cash *[Section 274(2) of Companies Act 2016]*. In determining the remuneration of the external auditor, the Board shall consult the Audit and Integrity Committee.
- 2.3.2 The Audit and Integrity Committee shall take into consideration the industry benchmarks when assessing the remuneration that should be accorded to the external auditor. The Audit and Integrity Committee shall ensure that the remuneration awarded to the external auditor is commensurate with the scope of the audit, considering the required resources, skills and knowledge needed to complete the external audit engagement, and the responsibilities of the external auditor.
- 2.3.4 Duopharma Biotech and its subsidiaries (collectively referred to as the “Group”) shall not enter into any contingent fee arrangement relating to the outcome of a transaction or the result of the services performed with the external auditor *[Provision 330.4A1 of By-Laws (on Professional Ethics, Conduct and Practice) by the MIA]*.

2.4 Independence of external auditor

- 2.4.1 The Audit and Integrity Committee shall review the independence of the external auditor annually, and the Audit and Integrity Committee shall consider whether the external auditor is independent both in mind and in appearance.
- 2.4.2 In ensuring the independence of external auditor, the Audit and Integrity Committee shall obtain written assurance from the external auditor, confirming that the external auditor is, and has been, independent throughout the conduct of the audit engagement² with the Group in accordance with the independence criteria set out by MIA *[Guidance to Practice 9.3 of MCCG]*.
- 2.4.3 The Audit and Integrity Committee shall also consider all relationships between the Company and the external audit firm in assessing the independence of the external auditor. It is acknowledged that the provision of non-audit services by the external auditor to the Company may result in skewed incentives and impair the independence of external auditor.

2.5 Relationship between the external auditor and Audit and Integrity Committee

- 2.5.1 The external auditor and Audit and Integrity Committee shall have a strong and candid relationship. The Audit and Integrity Committee shall establish that the external auditor is directly accountable to the Audit and Integrity Committee, and through it to the Board and ultimately to shareholders.
- 2.5.2 The Audit and Integrity Committee shall regularly meet the external auditor to discuss matters relating to its remit and any issues arising from the external audit either in camera or as part of its formal meetings.

² From the start of the audit engagement to the date the audit report is issued

- 2.5.3 The lead audit partner of the external audit firm shall also attend the AGM and be prepared to respond to shareholders' queries and to provide explanation on the issues related to its scope of work.

2.6 Provision of non-audit services

- 2.6.1 The provision of selected non-audit services could impair the independence, or at least give the appearance of impairing independence of the external auditor in the course of its audit engagement.
- 2.6.2 The external auditor is prohibited from rendering the non-audit services listed on the following page as the threats cannot be reduced to an acceptable by safeguards.

Prohibited non-audit services	Rationale
Accounting and bookkeeping services , including payroll services and the preparation of financial statements or financial information.	Independence threat
Valuation services if the valuations would have a material effect on the financial statements.	Self-review threat
Preparation of tax calculations of current and deferred tax liabilities (or assets) for the purpose of preparing accounting entries.	Self-review and advocacy threats
Internal audit services that relate to a significant part of the internal controls over financial reporting, financial accounting systems or amount or disclosures that are material to the financial statements.	Self-review threat to independence
Design or implementation of information systems that form a significant part of the internal control or information on financial reporting, accounting records or financial statements.	Self-review threat
Litigation support services in resolving a dispute or litigation when the amounts involved are material to the financial statements.	Self-review or advocacy threats
Recruiting services including reference checks with respect to a director, officer or senior management personnel who would be in a position to exert significant influence over the preparation of the financial statements.	Self-interest, familiarity or intimidation threats
Corporate finance services which involve promoting, dealing in, or underwriting shares.	Advocacy and self-review threats

[Provision 600 of By-Laws (on Professional Ethics, Conduct and Practice) by the MIA]

- 2.6.3 Prior to the provision of any other non-audit services by the external auditor, the Audit and Integrity Committee shall review and approve the acceptance of these engagements, barring a de minimis exception for individual non-audit services (i.e. per engagement basis) that represent less than 5% of the total audit fee of the Company. The Audit and Integrity Committee should ensure that the consequent threats arising from the non-audit services provided can be reduced to an acceptable level by the application of safeguards.
- 2.6.4 In addition, annual confirmation from the external auditor shall be obtained that the independence of the external auditor will not be impaired by the provision of non-audit services.

2.7 Limitation of the fees of non-audit services

- 2.7.1 There may be instances whereby the external audit firm and its affiliates may be well placed to provide permissible non-audit services. In this regard, the Audit and Integrity Committee must take into account the nature and extent of the non-audit services and the appropriateness of the level of fees so as to ensure that there is no over-reliance on the fee generated and undue familiarity developed with the Group.
- 2.7.2 As a general principle, the fees for non-audit services shall not in any financial year exceed the sum of audit fees unless due to exceptional circumstances and have been approved by the Chairman of the Audit and Integrity Committee, and for the Board to be notified at the next scheduled Board meeting or via a circular resolution.
- 2.7.3 If the fees on the non-audit services performed by the external auditor are significant, details on the nature of the services rendered shall be disclosed in the Annual Report. Generally, if the non-audit fees constitute 50% of the total amount of audit fees paid to their external auditors, then such non-audit fees are regarded as significant *[Item 9.47A of the Questions and Answers in relation to Listing Requirements]*.
- 2.7.4 The amount of non-audit fees paid or payable to the Company's external auditor, or a firm or corporation affiliated to the auditors' firm shall also be disclosed in the annual report, stating the amount incurred on a Group basis. If no non-audit fees were incurred, a statement to that effect shall be disclosed *[Paragraph 18, Part A, Appendix 9C of Listing Requirements]*.

2.8 Appointment of former partners and employees of the external audit firm and its affiliates

- 2.8.1 All existing partners of the external audit firm and its affiliates (including those providing advisory services, tax consulting etc) will not be offered employment or be appointed as a Non-Executive Director by the Group. All former partners of the external audit firm and its affiliates (including those providing advisory services, tax consulting etc) will not be offered employment or be appointed as a Non-Executive Director by the Group unless a cooling-off period of three years is observed *[adapted from Practice 9.3 of MCCG]*.
- 2.8.2 Other key audit team members will not be offered employment or be appointed as a Non-Executive Director the Group within six months of undertaking any role on the external audit.

- 2.8.3 Other key audit team members who accept employment or are appointed as a Non-Executive Director of the Group must cease the audit activity immediately and tender their resignation to the external audit firm.
- 2.8.4 Any offer of employment to a former employee of the external audit firm in respect of a Senior Management position or appointment of the former employee as a Non-Executive Director must be pre-approved by the Audit and Integrity Committee.
- 2.8.5 Between meetings, the Audit and Integrity Committee Chairman, in consultation with the members of the Audit and Integrity Committee, has the delegated authority to deal with such appointments at his or her discretion. Any such interim approval must be ratified at the next meeting of the Audit and Integrity Committee.

2.9 Rotation of external audit firm

- 2.9.1 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) years financial years commencing from financial year 2021.

3. Review and amendment

The Audit and Integrity Committee shall review and amend this Policy from time to time or as and when necessary, to be in line with legislative promulgations such as Companies Act 2016, Capital Markets and Services Act 2007 (Amendment 2012) and Listing Requirements whilst also taking into account the enumerations of the MCCG and the By-Laws (on Professional Ethics, Conduct and Practice).

All revisions or amendments to this Policy shall be approved by the Board.

The Document is revised and approved by the Board on 9 December 2021.

Appendix 1

External Auditor Evaluation Form (To be completed ONLY by Audit and Integrity Committee (“AIC”) members)

The External Auditor Evaluation criteria are developed based on emerging and leading practices to facilitate AIC’s evaluation of the external auditor’s performance. The criteria are derived from roles and responsibilities of external auditors mentioned in the Bursa Securities Main Market Listing Requirements and the Malaysian Code on Corporate Governance as well as other relevant provisions such as the By-Laws (on Professional Ethics, Conduct and Practice) by the Malaysian Institute of Accountants.

The evaluation may be conducted in the following manner:

1. Company Secretary shall distribute the evaluation form (“Form”) to all the AIC members during the 4th quarter of each financial year;
2. The AIC members shall complete the Form based on their knowledge, understanding and observations of external auditor’s activities and dynamics for the financial year under review
3. The Company Secretary shall compile the results from the evaluation and presents it to the AIC Chairman; and
4. The AIC Chairman shall review the results and tables to the Board the outcome of the evaluation.

Background information

Name of External Auditor: _____

Financial year: _____

Date of evaluation: _____

The Evaluation Form provides questions requiring 5-scale ratings from one (1) to five (5) or with the indicators illustrated below, to be responded in relation to the nature of the questions:

1	2	3	4	5
No	Yes, but seldom	Yes, usually	Yes, most of the time	Yes, always
or				
Suboptimal	Headroom for improvement	Moderate/satisfactory	At par/ strong performance	Exceptional

Respond by ticking the selected rating for each statement/question on the following page.

No.	Evaluation criteria	1	2	3	4	5	Comments
Section A: Calibre of external audit firm							
1.	What is the reputation of the external audit firm? Are there recent or current litigation cases against the firm?						
2.	Does the external audit firm have the size, resources and geographical coverage required to audit the Company?						
Total for Section A							
Section B: Quality processes/performance							
3.	How are the quality control processes maintained in the external audit firm? Factors to be considered include the level and nature of review procedures, the approach to audit judgments and issues, independent quality control reviews and the external audit firm's approach to risk.						
4.	How have key risks, including fraud risk and financial misstatement risk, being discussed and factored into the audit plan?						
5.	How key audit individuals at the external audit firm are compensated and evaluated, and do these compensation and evaluation schemes run the risk of impairing the external auditor's independence?						
6.	How is the external audit firm's process for internal review of accounting judgments, including an understanding of the key issues?						
7.	How are relevant technological tools and specialists/experts being employed by the external audit firm and how are these linked to the audit process?						
8.	How multiple-location audits and/or overseas audits are controlled and is audit effectiveness regarded as consistent internationally?						

No.	Evaluation criteria	1	2	3	4	5	Comments
9.	Are the reporting processes for subsidiary audit teams effective?						
10.	How is the external audit firm's approach to seeking and assessing management representations?						
11.	In cases where there are any differences in views between management and the external auditor, does the external auditor communicate its view clearly and accurately from an accounting perspective?						
12.	Does the AIC agree with the bases and extent of reliance external auditors place on management and internal audit testing, if any? (Comment as 'N/A' if none)						
13.	Does the external auditor have an effective working relationship with internal audit?						
14.	Did the auditors meet the performance targets, i.e. audit scope, audit plan, timing, etc.?						
Total for Section B							
Section C: Audit team							
15.	Rate whether the audit engagement partner and individuals assigned to the external audit team have the requisite skills and expertise, including industry knowledge, to effectively audit this company and meet its requirements.						
16.	Is the lead engagement partner able to provide a clear and understandable explanation on auditing and accounting issues faced by the company?						
17.	What is the scope of the audit engagement partner's/other senior personnel's involvement in the audit process and is this sufficient?						
Total for Section C							
Section D: Independence and objectivity							

No.	Evaluation criteria	1	2	3	4	5	Comments
18.	Does the external audit firm communicate to the Company on any matters which might reasonable be perceived to affect the independence of the firm and/or of individuals assigned to the external audit team?						
19.	Does the external audit firm have adequate key member succession plans in place, which meet the relevant audit partner rotation requirements and facilitate the maintenance of objectivity?						
20.	Does the external audit firm discuss with the company on safeguards in place to detect and resolve independence issues?						
21.	Prior to approval by the audit committee on non-audit services to be rendered by the external audit firm, does the lead engagement partner explain and discuss safeguards in place to protect against impairment to independence and objectivity of the external audit firm?						
Total for Section D							
Section E: Audit scope and planning							
22.	Does the external audit firm, with the audit engagement partner present, agree the audit scope and plan with the AIC?						
23.	Is the external audit scope and plan adequate to address company/industry-specific areas of accounting risks, audit risks and financial reporting risks facing the Company?						
24.	In planning the audit, are adequate considerations given to geographical coverage, resources allocation, level of audit testing and the nature of the audit reports issued at each location?						
25.	Is specialist input to the audit in areas such as taxation, pensions and regulation at an appropriate level?						
26.	Are all key operations covered by the external audit?						

No.	Evaluation criteria	1	2	3	4	5	Comments
27.	Did the auditors maintain or update the audit plan to respond to changing risks and circumstances, in a manner agreeable and determined appropriate by the audit committee?						
Total for Section E							
Section F: Audit fee							
28.	Is the external audit fee reasonable given the scope of the external audit, the size, complexity and risks of the Company?						
29.	How does the audit fee compare with other similarly sized companies in this industry?						
30.	Rate how the differences between actual and estimated fees are handled.						
31.	Is an assessment made of the amounts and relationship of audit and non-audit fees and services?						
Total for Section F							
Section G: Audit communications							
32.	Does the external audit firm meet freely, regularly, and on a confidential basis with the audit committee, including being able to communicate to the audit committee if not being provided with sufficient cooperation during the audit?						
33.	Does the external audit engagement partner maintain professional and open dialogues with the audit committee and communicate findings and discussions in a frank and complete manner (including matters on management's reporting process, internal control over financial reporting, etc.)?						
34.	Does the external audit firm advise the AIC about significant issues and new						

No.	Evaluation criteria	1	2	3	4	5	Comments
	developments regarding risk management, corporate governance, financial accounting and related risks and controls on a timely basis?						
35.	Does the external auditor discuss the critical accounting policies and whether the accounting treatment is conservative or aggressive?						
36.	Does the external audit firm discuss with the audit committee the quality of the Company's financial reporting, including the reasonableness of accounting estimates and judgments?						
37.	Does the external audit firm resolve accounting issues in a timely manner?						
38.	Does the external audit firm seek feedback on the quality and effectiveness of the service they are providing?						
Total for Section G							
Overall total (Section A + B + C + D + E + F + G)							
Scoring (Overall total/ total number of questions applicable x 5)							

Other Comments on External Auditors

Evaluation carried out by:

Name:

Designation:

SHAREHOLDERS AND INVESTORS COMMUNICATION POLICY

This policy sets out the standards and requirements of the Company in relation to communicating with its shareholders and investors.

1. SHAREHOLDERS COMMUNICATION

Direct engagement with shareholders provides better appreciation of the Company's objectives, quality of its management and challenges, while also making the Company aware of the expectations and concerns of its shareholders. In this regard, the Company has established the following communication channels with its shareholders:

(A) ANNUAL GENERAL MEETING (AGM)

- (i) The Company regards the AGM as an important event in the corporate calendar of which all Directors and key senior executives should attend.
- (ii) The Company regards the AGM as an important forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with and constructive feedback from the Company's shareholders.
- (iii) The Chairman encourages active participation by the shareholders during the AGM.
- (iv) In addition to the normal agenda for the AGM, the Board presents the progress and performance of the business as contained in the Annual Report and provides opportunities for shareholders to raise questions pertaining to the business activities of the Group. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Where necessary, the Chairman / the Group Managing Director / Chief Executive Officer will undertake to provide written answers to any significant questions that cannot be readily answered at the meeting.

- (v) A press conference will also be held after each general meeting. At this press conference the Chairman or the Group Managing Director / Chief Executive Officer will provide an insight of the Company's performance for the year, prospects and any specific events within the guidelines of the Company's Corporate Disclosure Policy.

(B) EXTRAORDINARY GENERAL MEETINGS (EGM) WILL BE HELD AS AND WHEN REQUIRED.

The Directors will consider requisitions by shareholders to convene EGM or any other urgent matters requiring immediate attention of the Company.

(C) ANNUAL REPORT

The Directors believe that an important channel to reach shareholders and investors is through the Annual Report. Besides including comprehensive financial performance and information on business activities, the Group strives to improve the contents of the Annual Report in line with the developments in corporate governance practices.

The Company's Annual Report can be obtained by accessing the Company's website at www.duopharmabiotech.com

(D) COMPANY'S WEBSITE

The Company also maintains a website at www.duopharmabiotech.com which can be accessed by shareholders to keep abreast with the Company's development. The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements or press releases made during the year. The shareholders can also leave their queries / feedback on the Company's website.

The Company's website provides easy access to corporate information pertaining to the Company and its activities. The website is continuously updated.

2. INVESTORS RELATION

The Group also holds briefings / dialogues with institutional investors, fund managers, analysts and research houses. Analysts and investors are briefed as required, in relation to major corporate exercises and pertinent issues within the disclosure requirements of Bursa Malaysia.

3. DISCLOSURE OF INFORMATION

While the Group endeavours to provide as much information as possible to its shareholders and stakeholders, it must also be wary of the legal and regulatory framework governing the release of material and price-sensitive information. All corporate disclosures take into account the prevailing legislative restrictions and requirements as well as the investors need for timely release of price-sensitive information such as financial performance results and statements, material acquisitions, significant corporate proposals as well as other significant corporate events.

In all circumstances, the Group is cautious not to provide undisclosed material information about the Group and continually stresses on the importance of timely and equal dissemination of information to shareholders and stakeholders.

4. SHAREHOLDER PRIVACY

The Company recognizes the importance of shareholders' privacy and will not disclose shareholders' information without their consent unless required by law.

5. ACCESS TO POLICY

This policy will be available for viewing on the Company's website.

6. REVIEW OF THIS POLICY

This policy is subject to regular review by the Board and will be amended (as appropriate) to reflect current best practice in communications with shareholders.

7. COMPANY CONTACTS

(A) Shareholdings

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia

Tel: 03-2783 9299

Fax: 03-2783 9222

(B) Corporate Governance

Company Secretary
Duopharma Biotech Berhad
(formerly known as CCM Duopharma Biotech Berhad)
Suite 18.06, Level 18, Kenanga International,
No. 26, Jalan Tun Razak,
50250 Kuala Lumpur.

Tel: 03-2162 0218

Fax: 03-2161 0451

Email: cs@duopharmabiotech.com



DUOPHARMA BIOTECH BERHAD

CORPORATE DISCLOSURE POLICY AND PROCEDURES

1. INTRODUCTION

1.1 The purpose of this policy is to

- (a) provide shareholders, investors, analysts, media representatives and other stakeholders with comprehensive, accurate and quality information issued by the Group on a timely and even basis;
- (b) raise awareness and provide guidance to the Board, management, officers and employees on the Group's disclosure requirements and practices;
- (c) ensure that the Group meets its disclosure obligations in accordance with the securities laws and regulations governing corporate disclosure and confidentiality in relation to securities listed on Bursa Malaysia ("the Exchange");
- (d) ensure that the Group observes best practices in relation to disclosure as illustrated in the Corporate Disclosure Guide by the Exchange; and
- (e) promote investor confidence in the integrity of the Company

1.2 The policy is applicable to the conduct of directors, officers, managers and employees of the Group and to all method that the Group uses to communicate with the investing public in the dissemination of material information especially price sensitive information, including but not limited to:

- (a) Documents filed with the regulators, written statements in annual reports, financial statements, quarterly reports, press releases, letters / circulars to shareholders, speeches by senior management, investor presentations, e-mail communication and information on the Group's website;

- (b) Oral statements, individual or group meetings, telephone conversations, interviews and press conferences including video conferencing with financial analysts, investors and media as well as speeches, industry conferences, and dealings with the public generally.
- 1.3 The policy must in accordance with the requirements of the Listing Requirements of Bursa Malaysia (LR), disclose to the public all material information necessary for informed investing and take reasonable steps to ensure that all who invest in its securities enjoy equal access to such information.
- 1.4 The Company must adhere to the following basis concerning disclosure:
(Extracted from LR, Chapter 9, Part B: Corporate Disclosure Policy)
 - (a) Immediate disclosure of material information
 - (b) Thorough public dissemination
 - (c) Clarification, confirmation or denial of rumours or reports
 - (d) Response to unusual market activity
 - (e) Unwarranted promotional disclosure activities
 - (f) Insider trading

2. ADMINISTRATION OF THE CORPORATE DISCLOSURE POLICY

- 2.1 The Board shall delegate the responsibility for overseeing and implementing the Group's disclosure controls, procedures and practices to the Group Managing Director ("GMD") who shall be responsible, among others, for the following:
 - (a) maintaining an awareness and understanding of the governing disclosure requirements and any changes thereto;
 - (b) ascertaining the materiality of the corporate development, transactions and other events and if so, ensuring that procedures outlined in the policy are implemented and adhered to;
 - (c) developing, implementing and monitoring compliance with the Policy and regularly reviewing and updating the Policy from time to time to ensure adherence to the regulatory requirements.

3. DESIGNATED PERSON(S)

- 3.1 Designated Person(s) are the individuals responsible for communication with investment analysts, shareholders, potential investors and the media, for initiating and overseeing presentations, conference calls and other communications with analysts and other members of the financial community and the general public and for overseeing the electronic communications aspect of this Policy. He will be

- 3.2 The appointment of **Designated Person(s)** must be on the following basis:
- (a) A senior officer to take the overall responsibility for ensuring compliance with the disclosure obligations under the LR;
 - (b) Alternates who can take the overall responsibilities of the Designated Person in his absence.
- 3.3 The Designated Person(s) shall be the Group Managing Director and in his absence, the Chief Financial Officer shall act as the alternate.
- 3.4 The Designated Person may from time to time designate others to speak on behalf of the Company / Group or to respond to specific inquiries to facilitate effective communication with Bursa Malaysia or Securities Commission.
- 3.5 Individuals designated to be the Designated Person shall be from among the Divisional or Functional Directors, General Manager – Corporate Communications or the Company Secretary.
- 3.5 In carrying out his responsibilities, the Designated Person will seek to ensure that no undisclosed material information is made available to any select group. If, for any reason, undisclosed material information is disclosed to analysts, investors, the media or others, the Group Managing Director and the Chief Financial Officer should be immediately notified.
- 3.6 The Designated Person shall not disclose material information that is not publicly available and shall, from time to time respond to specific inquiries from the investment community and media within the prescribed guidelines of the Policy and regulatory requirements.
- 3.7 Inquiries received by any employee within the Group relating to material information which is not publicly available shall be brought to the attention of the Group Corporate Affairs Department or the Company Secretary who shall then channel the inquiry to the Designated Person to respond in accordance with the Policy.
- 3.8 Advice / clarification shall be sought by any employee from the Designated Person on the appropriateness of supply of any information to an outside party if in doubt.

4 MATERIAL INFORMATION

- 4.1 Information is considered material to the Company / Group if it is reasonably expected to have material effect on:
- (a) The price, value or market activity of the Company's securities; or

- (b) The decision of a holder of securities or an investor in determining his choice of action.

4.2 Material information may include information which:
(LR, Chapter 9.03 & 9.04)

- (a) Concerns the Company's assets and liabilities, business, financial condition or prospects;
- (b) Relates to dealings with employees, suppliers, customers and others;
- (c) Relates to any event affecting the present or potential dilution of rights or interests of the Company's securities; or
- (d) Relates to any event materially affecting the size of the public holding of its securities.

4.3 Events which require immediate disclosure are set out in Chapter 9.04 and 9.19 of LR as attached in the Appendix. This list is non-exhaustive and the Company/Group will exercise its own judgment in determining the materiality of information.

In addition to the above the following information would also be considered as material and may require immediate disclosure:

- (a) Natural disaster such as fire, flood, landside, earthquake and the like, or any major market upheaval in the industries, countries, regions where the Group has operation or transactions;
- (b) Any change of accounting policy or adoption of new accounting standards which may have adverse impact on the Group's financials; or
- (d) A significant change in the Group's dividend policy.

4.4 Decisions on the materiality of information will be made within the context of the Company/Group's overall business affairs and dimensions based on certain financial ratios or operational impact as defined in the LR and the Company/Group's policies from time to time. Such decisions must be made based on the guidelines and spirit provided by the relevant statutory requirements. In situation where decisions about materiality are not clear cut and there is doubt as to whether a disclosure should be made, the Company / Group may consult and seek guidance from Bursa Malaysia.

4.5 In making the assessment of whether an event or information is material for the purpose of announcement, it is important for the Company must take into account relevant factors such as the following:

- (a) The anticipated impact of the information on the Company's entire scope of activities;
- (b) The anticipated information on the Company's financial position; or

- (c) The relevance of the information on the factors that determine the price of the listed securities.

4.6 Upon the determination of materiality of information, the Company/ Group must immediately initiate a process to ensure accurate and timely disclosure of such information to Bursa Malaysia and press (where appropriate) as outlined by Chapter 9.08, 9.12, 9.13 and 9.16 of the LR as attached.

However, the above shall not apply and the Company/ Group can refrain from publicly disclosing material information, provided complete confidentiality is maintained, as outlined in Chapter 9.05(3) of the LR:

- (a) Immediate disclosure would prejudice the ability of the Company to pursue its corporate objectives;
- (b) When facts are in a state of flux and a more appropriate moment for disclosure is imminent
- (c) Where company or securities laws may restrict the extent of permissible disclosure before or during a public offering of securities or a solicitation of proxies.

5 RESPONSIBILITIES AND PROCEDURE FOR DISCLOSURE

5.1 Depending on the nature of announcements, the Corporate Affairs Department, the Group Company Secretary or any other persons as determined from time to time, will prepare and draft the said announcements or news releases based on the requirements of Bursa Malaysia and applicable securities laws and will seek clearance with any of the designated person before submitting the same to the Board of Directors for approval.

5.2 The approved announcements / releases shall then, as soon as practicable, be transmitted to Bursa Malaysia and concurrently to the press through the Group Company Secretary's Office and Corporate Affairs Department, respectively. A copy of the news release shall be made accessible on the Company's corporate website.

5.3 In situation where material information is being withheld as per Item 4.4 above (and outlined in Chapter 9.05(3) of the LR), the Company/ Group will take the following precautions to keep the information confidential:

- (a) The information will only be disclosed to the Company's Board of Directors, officers, employees or advisors in the ordinary course of business, and on a need to know basis.

- (b) If and when the information is disclosed in the ordinary course of business, recipients of such information will be educated and regularly reminded of the need to keep confidential the information, internally and externally.
- (c) Confidentiality agreements will be executed to ensure protection and confidentiality of information by third parties.
- (d) Reasonable care will be taken to ensure appropriate security and protection of the information. The Company / Group shall implement the following measures to maintain confidentiality of the information:
 - (i) Document management
 - Using codenames in correspondences and documents to protect identities of parties involved;
 - Ensure physical copies of documents are securely stored in locked cabinets when not in use, with access restricted to authorized employees only; and
 - Reminding employees or personnel regularly not to read confidential documents or have discussion, in public places.
 - (ii) Secured IT system
 - Using private fax lines, dedicated printers and email accounts;
 - Ensuring only the relevant parties are allowed access to confidential documents using technology such as shared services;
 - Keeping confidential information on protected drives and tightly controlling access through password protection and blocking mechanism; and
 - Installing password protection mechanism for electronic equipments such as laptops and other storage media containing confidential information, and activating locking systems on these equipment after a stipulated period.
 - (iii) Restricted dissemination of information
 - Locating employees and personnel involved in secure areas that are separate from other employees; and
 - Having in place systems and controls to quarantine information from others.

(iv) Internal control policies

- Formulate and implement a code of ethics on confidentiality of information
- Maintain a list of people (which includes senior management, lawyers, reporting accountant, auditor and investment adviser) involved in the transaction or who are in possession of price sensitive information ("Privy List") and setting out the identity of each person, the reason why the person is on the privy list, and the date on which the privy list was created and updated.
- Update the privy list promptly when any person who is not in the privy list is given access to price sensitive information, or indicating the date when a person in the list no longer has access to price sensitive information;
- Requiring the person on the privy list to sign a confidentiality agreement;
- Regularly reminding all parties involved of the need to keep information strictly confidential;
- Put in place policies that restricts dealings in securities by the Company/Group, its officers, employees, associates or any other persons connected directly or indirectly with the Company / Group;
- Develop a process on how suspected leak is to be investigated; and
- Implement whistle blowing policies that facilitate employees to report misconduct or wrongdoings.

5.4 The above responsibilities and procedures shall apply from the time the information is first discussed until it is released and disseminated to the investing public.

5.5 In situation where confidential material information is inadvertently divulged in a way that it results in **selective disclosure** to any individual of the investing public, journalists, analysts, fund managers etc., the Company/ Group shall ensure that full and immediate disclosure and dissemination of the same material information is made immediately vide the Bursa Link or media.

6 RESPONDING TO UNUSUAL MARKET ACTIVITIES (UMA) / RUMOUR / REPORT

6.1 In responding to unusual market activities, rumour, speculation or report, the Company/ Group must ensure that the enquiry or information gathering process is carried out efficiently before making any comment to the investing public.

6.2 The Company/ Group must avoid from making evasive announcements that do not clarify, confirm or deny to UMA, rumour or report such as "We are not aware ..." or "We have nothing to disclose..." merely for convenience or expediency.

6.3 Where the reason for the UMA, rumour or report arises as a result of a proposal that the Company is working on, the Company/ Group must ascertain the reason for the

increase / drop in the share price, rumour or report including undertaking due enquiry with its directors and relevant persons such as its major shareholders to determine the cause of the unusual trading or report. Upon making due enquiry, the Company/ Group shall immediately issue a clarifying announcement and explain that it has made due enquiries with its directors and major shareholders, and that the unusual trading activities, rumour or reports may be attributed to the proposal that the Company/Group is undertaking. The details of the proposals/ information must be disclosed if it is confirmed that the proposal / information is no longer confidential.

7 EQUAL ACCESS TO MATERIAL INFORMATION

7.1 In dealing with journalists, analysts and fund managers, the Company / Group may provide any information relating to its business, operations or financial performance, PROVIDED that such information is not undisclosed material information.

7.2 The Company / Group must ensure that the following are observed when conducting meetings with journalists, fund managers, institutional investors or other person outside the Company / Group:

- (a) The number of persons authorized to speak on the Company/ Group's behalf at the external meeting is kept to a minimum;
- (b) The authorized spokesperson must not disclose non-public information;
- (c) Keep accurate records of the External Meetings and review the record to ensure that no undisclosed information has been revealed;
- (d) Post any prepared information or materials for the External Meetings (such as slides, speeches, questions and answers) of the Company/Group's website; and
- (e) Immediately announce to Bursa Malaysia any non-public information which has been inadvertently disclosed during the External Meeting and consider whether a suspension is required to enable release of information.

7.3 The Company/ Group shall adopt the following guidance when responding to questions or commenting on reports / financial analysis with journalists, analysts and fund managers:

- (a) Responding to Questions
 - Avoid disclosing non-public material information
 - If a question touches on non-public material information, the Company/ Group shall state that it unable to respond
- (b) Commenting on draft reports / financial analysis
 - Comment on or correct errors in factual information which may mislead the market;
 - Avoid providing forecast or projection of revenue, earnings or other profit indicators;

- Need not comment on opinions made by authors of the reports/ financial analysis such as prediction of future revenue, earnings or other quantitative;
- Avoid amending draft reports/financial analysis if doing so involves providing non-public material information. If fundamental erroneous or misleading information is detected, inform the author that the draft report / financial analysis is erroneous or misleading and should not be released in the present form.

8 PROMOTIONAL DISCLOSURE ACTIVITY

- 8.1 A listed issuer must refrain from promotional disclosure activity in any form whatsoever or howsoever which may mislead investors or cause unwarranted price movement and activity in a listed issuer's securities.
- 8.2 Such activity includes news releases, public announcements, predictions, reports or advertisements which are:-
- (a) Not justified by actual developments concerning a listed issuer;
 - (b) Exaggerated;
 - (c) Flamboyant;
 - (d) Overstated; or
 - (e) Over-zealous

9 ELECTRONIC COMMUNICATION

9.1 E-mail & Internet Use

- 9.1.1 The Company / Group's internet policy and email guidelines specifically prohibits using internet email to transmit or exchange confidential or critical company information, except where a secured method is employed. Internet information and communication is to be an extension of the corporate disclosure record and therefore, is subject to the same disclosure rules, guidelines and procedure as contained in this Policy for other means of disseminating inform
- 9.1.2 Employees are discouraged from participating in discussion about the Company/ Group's securities or its business plans and results to minimize the risks and consequence of inadvertently communicating or contributing to rumours about confidential, material information.

9.2 Company's Website

- 9.2.1 The Company / Group shall use its website to disseminate information and enhance its investor relations.
- 9.2.2 The website shall contain information about the Company / Group, its products and businesses, announcements which have been made available to the public as well as other areas of interest to the public.
- 9.2.3 The website contains a section on Investor Relations which provides the investing public with all material information documents which has been released, among others, as follows:
- (i) Annual Reports
 - (ii) Quarterly (Interim) Reports
 - (iii) Bursa Malaysia Announcements
 - (iv) Corporate proposals
 - (v) News releases
 - (vi) Investor Relations presentations
 - (vii) Speeches
 - (viii) Financial highlights for the past five years
- 9.2.4 All timely disclosure and material information documents will be posted on the website as soon as possible after release by the news wire service.
- 9.2.5 The Head of Corporate Affairs Department will ensure that the information contained in the Investor Relations section is accurate and is kept up-to-date.

10 RESTRICTIONS ON INSIDER TRADING

- 10.1 The Company /Group is governed by its own Securities Trading Policy. All its Directors, officers, employees, persons who provide business or professional services to the Company / Group and any other person or company informed about undisclosed material information about the Company / Group by any of the parties mentioned herein falls within the Company's definition of an Insider.
- 10.2 Generally, the above persons are discouraged from trading in the shares of the Company or its affiliates on a short term basis and are encouraged to seek advice from the Company Secretary whenever unsure or in doubt about trading securities in certain situation.

- 10.3 The Company/Group has subscribed that the closed period shall commence from the one month prior to the targeted date of announcement to Bursa Malaysia of the quarterly results until one full market day after the date of the announcement is made to Bursa Malaysia. During this period, Insiders are not allowed to trade in the shares of the Company or its affiliates.
- 10.4 On occasions, certain Insiders will be restricted from trading in the Company/ Group securities (even when trading window is opened) when they possess insider knowledge or information about pending events or developments constituting material information about the Company/ Group.
- 10.5 No person having inside information may recommend any other person to enter into any transaction in the Company/ Group's shares.

11 NON-COMPLIANCE WITH THE DISCLOSURE POLICY

An employee who violates the Policy may face disciplinary action which may result in the termination of employment. Actions under the available securities laws may be instituted against the person.

Audit Committee of Duopharma Biotech Berhad

Terms of Reference

This Terms of Reference sets out the matters concerning the governance of the Audit Committee ("AC" or the "Committee").

1. Purpose

- 1.1 The purpose of the AC is to assist the Board of Directors ("Board") in ensuring that there is robust oversight on financial reporting, external audit, internal audit and investigation matters concerning Duopharma Biotech Berhad ("Duopharma Biotech" or the "Company") and its subsidiaries (collectively referred to as the "Group").
- 1.2 In the exercise of its functions, it is understood that the AC is not delegated with decision-making powers but shall report its recommendations to the Board for decision. The existence of the AC does not diminish the Board's ultimate statutory and fiduciary responsibility for the decision-making relating to the functions and duties of the Committee.

2. Composition

- 2.1 Size
 - (a) The Committee shall have at least three (3) members *[paragraph 15.09(1)(a) of Main Market Listing Requirements by Bursa Malaysia Securities Berhad]*.
- 2.2 Membership
 - (a) All the Committee members shall be Non-Executive Directors with the majority being independent *[paragraph 15.09(1)(b) of Main Market Listing Requirements by Bursa Malaysia Securities Berhad]* and it is desirable for the AC to comprise solely of independent Directors *(Practice 9.4, Malaysian Code on Corporate Governance)*;
 - (b) At least one member of the Committee:
 - must be a member of the Malaysian Institute of Accountants ("MIA"); or
 - if not a member of MIA:
 - he or she must have at least three years of working experience; and
 - he or she must have passed the examination specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - he or she must be a member of one of the Associations of Accountants specified in Part II of the 1st Schedule of the Accountants Act 1967;

or

 - fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("the Exchange")¹.

[paragraph 15.09(1)(c) of Main Market Listing Requirements by Bursa Malaysia Securities Berhad]
 - (c) The Chairman of the Board shall not be a member of the Committee *(Practice 1.4, Malaysian Code on Corporate Governance)*

¹ A degree/masters/doctorate in accounting or finance and at least 3 years' post-qualification experience in accounting or finance or a member of any professional accountancy organisation which has been admitted as a full member of the International Federation of Accountants or at least 7 years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation *(paragraph 7.1, Practice Note 13, Main Market Listing Requirements by Bursa Malaysia Securities Berhad)*.

- (d) There shall not be any Alternate Director appointed as a Committee member [*paragraph 15.09(2) of Main Market Listing Requirements by Bursa Malaysia Securities Berhad*].

2.3 Chairman of the Committee

- (a) The Chairman of the AC shall not be the Chairman of the Board (*Practice 9.1, Malaysian Code on Corporate Governance*);
- (b) The members of the Committee must elect a Chairman among themselves who is an Independent Director (*paragraph 15.10 of Main Market Listing Requirements by Bursa Malaysia Securities Berhad*); and
- (c) Before appointment as Chairman of the AC, it is desirable for the appointee to have served on the AC for an appropriate period.

2.4 Secretary of the committee

- (a) The secretary of the Committee ("Secretary") shall be the Company Secretary or his or her representative.

3. Appointment of members

- 3.1 The Nomination and Remuneration Committee ("NRC") shall recommend the appointment of AC members to the Board for Board's approval;
- 3.2 Members shall be appointed based on their ability to devote time, character, integrity, competence and experience relevant to their duties of the AC. Collectively, the Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and able to understand matters under the purview of the AC including the financial reporting process (*Practice 9.5, Malaysian Code on Corporate Governance*);
- 3.3 All appointed members of the Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules (*Practice 9.5, Malaysian Code on Corporate Governance*);
- 3.4 Former partners of the external audit firm and its affiliates (including those providing advisory services, tax consulting etc) shall observe a three-years cooling-off period prior to being entitled for appointment to the AC, as outlined in the Company's Policy on External Auditor (*Practice 9.3, Malaysian Code on Corporate Governance*);
- 3.5 The members serving the Committee shall be refreshed at appropriate and regular intervals. In order to ensure that the entire Committee is not replaced at any one time and the change does not affect the composition in terms of compliance with legislative promulgations, such change of members shall be done on a progressive basis; and
- 3.6 In the event of any vacancy in the Committee, which results in fewer than three (3) Committee members with a majority of Independent Directors and/or absence of an MIA member or equivalent and/or the absence of an Independent Chairman, the vacancy must be filled within three (3) months (*paragraph 15.19 of Main Market Listing Requirements by Bursa Malaysia Securities Berhad*).

4. Performance evaluation

- 4.1 The effectiveness of the AC as a Board Committee (including skills mix and contribution of members) and each of its members and the term of office shall be assessed annually by the NRC to determine whether the AC and its members have carried out their duties in accordance with their terms of reference (*paragraph 15.20 of Main Market Listing Requirements by Bursa Malaysia Securities Berhad and Practice 5.1, Malaysian Code on Corporate Governance*).

5. Duties of the Chairman of the Committee

5.1 The key duties of the Chairman of AC shall include the following:

- (a) Ensure the overall effectiveness and independence of the Committee (*Guidance to Practice 9.1, Malaysian Code on Corporate Governance*);
- (b) Plan and conduct the AC meetings;
- (c) Ensure that the AC meetings are run efficiently and each agenda item is thoroughly and thoughtfully discussed by all members of the committee;
- (d) Encourage open discussion during meetings;
- (e) Oversee reporting to the Board; and
- (f) Act as the key contact between the Committee members and members of the Board and maintain active ongoing dialogue with Management and both internal and external auditors.

5.2 The Chairman of AC together with other members of the Committee shall also ensure, amongst others, the following:

- (a) The Committee is fully informed about significant matters related to the Company's audit and its financial statements and addresses these matters;
- (b) The Committee appropriately communicates its insights, views and concerns about relevant transactions and events to internal and external auditors;
- (c) The Committee's concerns on matters that may have an effect on the financials or audit of the Company are communicated to the external auditor; and
- (d) There is co-ordination between internal and external auditors.

(Guidance to Practice 8.1, Malaysian Code on Corporate Governance)

6. Duties of the committee

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

6.1 To carry out the following, in relation to the **financials and financial reporting process**:

- (a) Overseeing the Finance function within the Group so as to ensure it is carried out by the right personnel with the skills, experience, training and authority;
- (b) Review and report the same to the Board the quarterly and year-end financial statements, before the approval by the Board, focusing particularly on:
 - changes in or implementation of major accounting policy changes;
 - significant adjustments arising from the audit;
 - significant matters highlighted including financial reporting issues, significant judgments made by Management, significant and unusual events or transactions, and how these matters are addressed; and
 - compliance with accounting standards and other legal requirements.*[paragraph 15.12(1)(g) of Main Market Bursa Listing Requirements by Bursa Malaysia Securities Berhad]*
- (c) Review the Company's dividend distribution strategies.

6.2 To carry out the following, in relation to the **external audit function**:

- (a) Consider and recommend to the Board on the nomination, appointment, termination of the external auditor, as well as the external auditor's remuneration, in line with the Company's Policy on External Auditor;
- (b) Assess annually the suitability, objectivity and independence of the external auditor, in line with the Company's Policy on External Auditor;
- (c) Discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- (d) Review and report the same to the Board, along with the external auditors, the audit plan, evaluation of the system of internal controls and the audit report. The Committee shall also report to the Board on the assistance given by the employees to the external auditors *[paragraphs 15.12(1)(a)-(e) of Main Market Bursa Listing Requirements by Bursa Malaysia Securities Berhad]*;
- (e) Discuss problems and reservations arising from the interim and final audits, and any matter that the external auditor may wish to discuss (in the absence of management where necessary);
- (f) Convene private session with the external auditors without the presence of the management of the Group, at least twice a year;
- (g) Review the external auditor's management letter and management's response;
- (h) Ensure that the external auditor reviews a statement made by the Board with regards to the state of risk management and internal controls of the Group and reports the results thereof to the Board *(paragraph 15.23 of Main Market Bursa Listing Requirements by Bursa Malaysia Securities Berhad)*;
- (i) Recommend to the Board on the extent and nature of non-audit services that can be carried out by the external auditor and ensure adequacy of checks and balances on the provision of such non-audit services, in line with the Company's Policy on External Auditor; and
- (j) Review and recommend the remuneration of the external auditor, in line with the Company's Policy on External Auditor.

6.3 To carry out the following, in relation to **internal controls** and the **internal audit function**:

- (a) Review related party transactions and conflicts of interest situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity *[paragraph 15.12(1)(h) of Main Market Bursa Listing Requirements by Bursa Malaysia Securities Berhad]*;
- (b) Review material litigation, claims or issues with substantial financial impact based on the materiality levels determined in accordance with the Company's policy;
- (c) Review and approve the annual internal audit plan and processes;
- (d) Review the adequacy of the scope, functions, competency and resources of internal audit function and that it has the necessary authority to carry out its work *[paragraph 15.12(1)(e) of Main Market Bursa Listing Requirements by Bursa Malaysia Securities Berhad]*;
- (e) Review the Group Internal Audit Scorecard and accompanying key performance indicators;
- (f) Review and endorse the internal audit charter which outlines the purpose, authority and responsibility of the Group Internal Audit;
- (g) Review the results of internal audit plan, and internal audit reports, and review the findings of investigation undertaken on internal control weaknesses (including but not limited to integrity/anti-corruption related matters within the Group) and whether or not appropriate action is taken on the recommendations of the internal audit function

[paragraph 15.12(1)(f) of Main Market Bursa Listing Requirements by Bursa Malaysia Securities Berhad];

- (h) Review and approve the annual budget for Group Internal Audit;
- (i) Approve the appointment and termination of the Head of Group Internal Audit;
- (j) Review the job grade of the Head of Group Internal Audit;
- (k) Review and approve any appraisal on performance as well as competency of the Head of Group Internal Audit; and
- (l) Review the reasons for the resignations of the Head of Group Internal Audit, if applicable;
- (m) Review the statement to be made by the Board with regards to the state of risk management and internal controls of the Group and reports the results thereof to the Board; and
- (n) Convene private session with the Head of Group Internal Audit without the presence of the Management of the Group, at least twice a year.

The AC may undertake to perform any additional functions delegated to it by the Board.

7. Meetings

7.1 Meeting frequencies and calling of meetings

- (a) Meetings shall be held no less than five (5) times a year, or as frequently as the circumstances dictate;
- (b) Additional meetings shall be scheduled as considered necessary by the Committee or Chairman of the AC. The Chairman of the Committee shall call for a meeting if requested to do so by the Chairman of the Board or requested by another member of the Committee;
- (c) Upon the request of the external auditor, the Chairman must convene a meeting of the Committee to consider any matter the external auditor believes should be brought to the attention of the Directors or shareholders (*paragraph 15.24 of Main Market Bursa Listing Requirements by Bursa Malaysia Securities Berhad*); and
- (d) The Committee shall meet with the external auditors, the internal auditors or both, in the absence of other Directors or employees of the Company at least twice a year or whenever deemed necessary.

7.2 Quorum and participation

- (a) The quorum for the meetings of the Committee shall be two (2) members and the majority of members present shall be Independent Directors (*paragraph 15.18 of Main Market Listing Requirements by Bursa Malaysia Securities Berhad*);
- (b) In the event the Chairman is unable to be present for a meeting, the members who are present at the meeting can appoint a Chairman among themselves to chair the meeting;
- (c) Each individual Committee member shall attend at least 50% of the Committee meetings held during the financial year;
- (d) The Managing Director, Finance Director and Head of Internal Auditor shall normally be invited to attend the meeting;
- (e) The Committee may request other Directors, members of Management, counsels or consultants to attend the Committee meetings by invitation if necessary;
- (f) The Committee shall ensure that other Directors and employees attend any particular AC meeting only at the Committee's invitation, specific to the relevant meeting

(paragraph 15.13 of Main Market Listing Requirements by Bursa Malaysia Securities Berhad); and

- (g) The meetings shall convene in a face-to-face manner or remotely (i.e., via virtual means). If a member is unable to be present at the meeting venue, his/her participation through tele/video-conferencing or other appropriate means may be permitted. The member shall ensure all deliberations or information being communicated remotely is treated with confidence, and he/she shall prevent any leakage of information/materials to any third party.

7.3 Notice on meetings and information flow

- (a) Notice of the Committee's meeting shall be sent to all members in a timely manner, which should include the date, time, venue and the agenda of the meeting (*Paragraph 4- notice on meetings, Third Schedule of Companies Act 2016*);
- (b) The AC meeting agendas shall be developed by the Chairman of the AC and the Secretary in consultation with Management; and
- (c) The Chairman of the Committee together with the Secretary shall ensure that sufficient information such as the agenda and accompanying meeting materials for each meeting are circulated at least five (5) business days before each meeting to the Committee members and all those who are invited to attend the meeting, where applicable (*Guidance to Practice 1.6, Malaysian Code on Corporate Governance*).

7.4 Voting

- (a) A matter put to vote at the Committee meetings shall be decided by a simple majority of the votes cast and in the event of an equality of votes, the Chairman of the meeting has the casting vote. A member of the Committee who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, shall not participate in the voting process.

7.5 Circular Resolution

- (a) A circular resolution in writing shall be valid and effectual as if it had been passed at a meeting of the AC when it is approved and signed by a majority of the AC members.

7.6 Meeting minutes

- (a) The Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee (*Paragraph 13, Third Schedule of Companies Act 2016*);
- (b) The minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive and contemporaneous evidence without any further proof of the facts thereon stated;
- (c) All members should ensure that the meeting minutes accurately reflect the deliberations and decisions of the Committee, which includes any dissenting comments made as well as abstention of the members (*Guidance to Practice 1.6, Malaysian Code on Corporate Governance*); and
- (d) The reproduction of any parts of the meeting minutes shall only be performed through or by the Secretary.

7.7 Reporting

- (a) The report of each Committee meeting shall be tabled and presented to the Board during the subsequent Board meeting to keep them informed and updated on the key issues deliberated by the Committee.
- (b) The AC shall oversee the preparation of the Committee's Report in accordance with paragraph 15.13 of Main Market Listing Requirements by Bursa Malaysia Securities Berhad.

8. Authority

8.1 The AC in the performance of its duties and at the expense of the Group, is authorised by the Board:

- (a) to investigate any matter within its Terms of Reference;
- (b) to engage the necessary resources required to carry out its duties and to obtain independent professional or other advice it considers necessary;
- (c) to have full and unlimited access to any information and documents pertaining to the Group;
- (d) to have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity; and
- (e) to be able to convene meetings with the external auditors, the person(s) carrying out the internal audit function or activity or both, excluding the attendance of Executive Directors and employees of the Company (with the exception of the Company Secretary), whenever deemed necessary.

(paragraph 15.17 of Main Market Listing Requirements by Bursa Malaysia Securities Berhad)

9. Review and amendment of the Terms of Reference

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

Nomination and Remuneration Committee of Duopharma Biotech Berhad

Terms of Reference

This Terms of Reference sets out the matters concerning the governance of the Nomination and Remuneration Committee (“NRC” or the “Committee”).

1. Purpose

- 1.1 The purpose of the NRC is to assist the Board of Directors (“Board”) in ensuring that the appointment and remuneration of Board members and Senior Management of Duopharma Biotech Berhad (“Duopharma Biotech” or the “Company”) and its subsidiaries (collectively referred to as the “Group”) are underpinned by robust processes and procedures.
- 1.2 In the exercise of its functions, it is understood that the NRC is not delegated with decision-making powers but shall report its recommendations to the Board for decision. The existence of the NRC does not diminish the Board’s ultimate statutory and fiduciary responsibility for the decision-making relating to the functions and duties of the Committee.

2. Composition

- 2.1 Size
 - (a) The Committee shall comprise at least three (3) members.
- 2.2 Membership
 - (a) All the Committee members shall be Non-Executive Directors, with majority being Independent Directors [*paragraph 15.08A(1) of Main Market Listing Requirements by Bursa Malaysia Securities Berhad and Guidance to Practice 7.2, Malaysian Code on Corporate Governance*]; and
 - (b) The Chairman of the Board shall not be a member of the Committee (*Practice 1.4, Malaysian Code on Corporate Governance*).
- 2.3 Chairman of the Committee
 - (a) The Chairman of the Committee shall be an Independent Director or the Senior Independent Director (*Practice 5.8, Malaysian Code on Corporate Governance*); and
 - (b) Before appointment as Chairman of the NRC, it is desirable for the appointee to have served on the NRC for an appropriate period.
- 2.4 Secretary of the committee
 - (a) The Secretary of the Committee shall be the Company Secretary or his or her representative.

3. Appointment of members

- 2.1 The Board shall determine the appointment of NRC members;
- 2.2 Members shall be appointed based on their fit and propriety including ability to devote time, character, integrity, competence and experience relevant to their duties of NRC; and
- 2.3 The members serving the Committee shall be refreshed at appropriate and regular intervals. In order to ensure that the entire Committee is not replaced at any one time and the change does not affect the composition in terms of compliance with legislative promulgations, such change of members shall be done on a progressive basis.

4. Performance evaluation

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

5. Duties of the Chairman of the Committee

- 5.1 The key duties of the Chairman of NRC shall include the following:
- (a) Determine (in consultation with the Board Chairman) the detailed considerations surrounding the succession planning and appointment of Board members including the Group Managing Director/ Chief Executive Officer, based on the parameters outlined in the Company's Succession Plan Policy (*Guidance to Practice 5.8, Malaysian Code on Corporate Governance*);
 - (b) Lead the annual review of Board skill sets matrix and Board effectiveness evaluation, ensuring that performance of the Board, each individual Board Committee and Director (including Independent Directors) is independently assessed (*Guidance to Practice 5.8, Malaysian Code on Corporate Governance*); and
 - (c) Lead the development and administration of a fair and transparent procedure for setting policy on remuneration of Directors and Senior Management.
- 5.2 For the purpose of these Terms of Reference, 'Senior Management' are employees of Job Grade 19 (and above) and who are also C-Suite officers and members of the Group Management Committee (GMC).

6. Duties of the Committee

- 6.1 The duties of the Committee in relation to **nomination function** are to:
- (a) Recommending the Group's nomination policy including with a view of anchoring the appointment of Board and Senior Management members based on the candidate's character, experience, integrity, competence and ability to devote time, with due regard for diversity in skills, experience, age, cultural background and gender including the 30% women on Board target, as spelt out in the Group's Diversity Policy for the Board of Directors and Senior Management (*paragraph 2.20A of Main Market Listing Requirements by Bursa Malaysia Securities Berhad and Practice 5.5, Malaysian Code on Corporate Governance*). *Note: Board members who are not on the NRC may be invited to interview Senior Management candidates in instances where the said Director has a similar domain background or represents the primary collaborator with the incoming Senior Management personnel (e.g., Audit Committee vis a vis the Chief Financial Officer);*
 - (b) Recommend candidates for directorships and Senior Management positions in the Group based on the elements of fit and propriety in accordance with the Fit and Proper Policy for the Board of Directors and Senior Management [*paragraph 15.01(A) of Main Market Listing Requirements by Bursa Malaysia Securities Berhad*]. In carrying out this function, the NRC shall utilise independent sources (e.g., search firms, directors' registry) to identify suitably qualified candidates, apart from recommendations of existing Board members, Management or major shareholders (*Guidance to Practice 5.6, Malaysian Code on Corporate Governance*)
 - (c) Recommend Directors to be appointed to the Board Committees;
 - (d) Recommend to the Board on whether Directors retiring by rotation should be put forth for re-election
 - (e) Recommend to the Board the appointment of a Senior Independent Director from the cohort of Independent Directors, if deemed necessary;

- (f) Recommend to the Board on the appointment of Directors to fill casual vacancy;
- (g) Watch for indicators of entrenchment amongst long-serving Independent Directors and review the suitability of Independent Directors for re-election in accordance with the Company's policy; and
- (h) Recommend the institution of an appropriate succession plan is in place for Board and Senior Management.

6.2 The duties of the Committee in relation to the **evaluation process** are to:

- (a) Ensure that prior to the appointment of new Directors and Senior Management members, a complete evaluation is performed based on the Group's policy to assess the candidates' ability to discharge their duties effectively. The evaluation shall consider the dimensions of fit and propriety including character, experience, integrity, competence and ability to devote time (*paragraph 2.20A of Main Market Listing Requirements by Bursa Malaysia Securities Berhad*);
- (b) Undertake a formal and objective annual evaluation to determine the effectiveness of the Board, Board Committees and each individual Director, including Independent Directors based on a predetermined criterion. The NRC shall endeavour to enlist the services of third party to facilitate the conduct of the evaluation at least once every three years (*Practice 6.1 of Malaysian Code on Corporate Governance*);
Onsider
- (c) Supervise and assess Senior Management's performance to determine whether the business is properly managed by overseeing key performance indicators (covering financial and non-financial indicators including considerations relating to environment, social and governance) that are monitored by the Group Managing Director (*Guidance to Practice 1.1 and Practice 4.4 of Malaysian Code on Corporate Governance*); and
- (d) Reviewing the recommended contract renewal, promotion and termination of Senior Management personnel as the case may be.

6.3 The duties of the Committee in relation to **induction and training programmes** are to:

- (a) Oversee the development of induction programme for new Directors;
- (b) Evaluate and determine on a continuous basis the training needs of the Directors, in which the subject matter of training must be one that aids the Director in the discharge of his/her duties as a Director [*paragraph 15.08(2) of Main Market Listing Requirements by Bursa Malaysia Securities Berhad*]; and
- (c) Oversee the leadership development programme of Senior Management.

6.4 The duties of the Committee in relation to **remuneration function** are to:

- (a) Review policies and procedures to determine the remuneration of Directors and Senior Management, which take into account the demands, complexities and performance of the Group as well as skills and experience required;
- (b) Review and recommend to the Board the remuneration package of Senior Management, including the Group Managing Director;
- (c) Review and recommend to the Board the annual increment and bonus package for non-unionised employees of the Company;
- (d) Review and recommend to the Board on any new employee retention plans and compensations and benefits policies; and
- (e) Oversee the qualitative and quantitative disclosures of remuneration made in the annual report and notice to general meetings, pursuant to legislative promulgations.

6.5 The duties of the Committee in relation to **human resource function** are to:

- (a) Oversee the overall human capital strategies of the Group;
- (b) Review the leadership needs of the Group with a view of ensuring the continued ability to compete effectively in the Group's marketplace; and
- (c) Review the organisation chart of the Senior Management, identifying gaps/ vacancies to be filled.

The NRC may undertake to perform any additional functions delegated to it by the Board.

7. Meetings

7.1 Meeting frequencies and calling of meetings

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

7.2 Quorum and participation

- (a) The quorum for the Committee shall be two (2) members and one of whom shall be an Independent Director.
- (b) In the event the Chairman is unable to be present for a meeting, the members who are present at the meeting can appoint a Chairman among themselves to chair the meeting;
- (c) Each individual Committee member shall attend at least 50% of the Committee meetings held during the financial year;
- (d) The Committee may request other Directors, members of Management, counsels or consultants to attend the Committee meetings by invitation if necessary; and
- (e) The meetings shall convene in a face-to-face manner or remotely (i.e., via virtual means). The member shall ensure all deliberations or information being communicated remotely is treated with confidence, and he/she shall prevent any leakage of information/materials to any third party.

7.3 Notice on meetings and information flow

- (a) Notice of the Committee's meeting shall be sent to all members in a timely manner, which should include the date, time, venue and the agenda of the meeting (*Paragraph 4- notice on meetings, Third Schedule of Companies Act 2016*);
- (b) The NRC meeting agendas shall be developed by the Chairman of the NRC and the Secretary in consultation with Management;
- (c) The Chairman of the NRC together with the Company Secretary shall ensure that sufficient information such as the agenda and accompanying meeting materials for each meeting are circulated at least five (5) business days before each meeting to the Committee members and all those who are invited to attend the meeting, where applicable (*Guidance to Practice 1.6, Malaysian Code on Corporate Governance*).

7.4 Voting

- (a) A matter put to vote at the Committee meetings shall be decided by a simple majority of the votes cast and in the event of an equality of votes, the Chairman of the meeting has the casting vote. A member of the Committee who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, shall not participate in the voting process.

7.5 Circular Resolution

- (a) A circular resolution in writing shall be valid and effectual as if it had been passed at a meeting of the NRC when it is approved and signed by a majority of the NRC members. The use of circular resolutions shall be limited to administrative and ad hoc matters.

7.6 Meeting minutes

- (a) The Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee (*Paragraph 13, Third Schedule of Companies Act 2016*);
- (b) The minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive and contemporaneous evidence without any further proof of the facts thereon stated;
- (c) All members should ensure that the meeting minutes accurately reflect the deliberations and decisions of the Committee, which includes any dissenting comments made as well as abstention of the members (*Guidance to Practice 1.6, Malaysian Code on Corporate Governance*); and
- (d) The reproduction of any parts of the meeting minutes shall only be performed through or by the Secretary

7.7 Reporting and disclosure

- (a) The report of each Committee meeting shall be tabled and presented to the Board during the subsequent Board meeting to keep them informed and updated on the key issues deliberated by the Committee.
- (b) The NRC must provide, in the Company's annual report, a statement about its activities in the discharge of its duties for the financial year. Such a statement must include the Company's application of the fit and proper policy, succession planning policy (including aspects of Board composition), criteria of Board nomination and re-election of Directors and conduct of Board evaluation exercise (*paragraph 15.08A of Main Market Listing Requirements by Bursa Malaysia Securities Berhad*).

8. Authority

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

- (a) to obtain professional and independent advice from external advisors with relevant knowledge and experience, either through the Group Managing Director or the Company Secretary's office, when it is deemed necessary; and
- (b) full and unrestricted access to information concerning the Group.
(*paragraph 15.04 of Main Market Listing Requirements by Bursa Malaysia Securities Berhad*)

9. Review and amendments of the Terms of Reference

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

Risk Management Committee of Duopharma Biotech Berhad

Terms of Reference

This Terms of Reference sets out the matters concerning the governance of the Risk Management Committee (“RMC” or the “Committee”).

1. Purpose

- 1.1 The purpose of the Committee is to assist the Board of Directors (“Board”) in ensuring that there is a sound system for risk management and effective oversight of investment, integrity and whistleblowing practices within Duopharma Biotech Berhad (“Duopharma Biotech” or the “Company”) and its subsidiaries (collectively referred to as the “Group”); and
- 1.2 In the exercise of its functions, it is understood that the RMC is not delegated with decision-making powers but shall report its recommendations to the Board for decision. The existence the RMC does not diminish the Board’s ultimate statutory and fiduciary responsibility for the decision-making relating to the functions and duties of the Committee.

2. Principles

- 2.1 The Group consciously takes measured amount of risks and manages financial and non-financial risks effectively to meet its long term goals and objectives;
- 2.2 Risk management is an integral part of the Group’s business practice at all levels of the Group; and
- 2.3 The Committee will keep under review the effectiveness of the Group’s risk management system, taking into account:
 - (a) the development and maintenance by management of a comprehensive risk management framework;
 - (b) the integration of material economic, environmental and social considerations in the operations of the Group;
 - (c) the Group’s culture of risk management (including awareness, education and training for all levels of staff);
 - (d) feedback from the Management, internal auditor and the external auditor on the effectiveness of Risk Management system;
 - (e) changes to the Group’s risk profiles, arising from the material, financial and non-financial exposures surrounding any part of the Group;
 - (f) the likelihood, impact and mitigation of significant risk events;
 - (g) the formulation of a strong ethical and integrity culture within the Group; and
 - (h) investments of the Group in line with the Group’s Limits of Authority and the Merger & Acquisition and Investment Framework.

3. Composition

3.1 Size

- (a) The Committee shall have at least three (3) members.

3.2 Membership

- (a) The Committee shall comprise a majority of Independent Directors (*Step Up 10.3, Malaysian Code on Corporate Governance*); and
- (b) The Chairman of the Board shall not be a member of the Committee (*Practice 1.4, Malaysian Code on Corporate Governance*).

3.3 Chairman of the committee

- (a) The Chairman of the Committee shall be a Non-Executive Director; and
- (b) Before appointment as Chairman of the RMC, it is desirable for the appointee to have served on the RMC for an appropriate period.

3.4 Secretary of the Committee

- (a) The Secretary of the Committee ("Secretary") shall be the Company Secretary or his representative.

4. Appointment of members

- 4.1 The Nomination and Remuneration Committee ("NRC") shall recommend the appointment of RMC members to the Board;
- 4.2 Members shall be appointed based on their ability to devote time, skills and experience relevant to their duties within the RMC; and
- 4.3 The members serving the RMC shall be changed at appropriate and regular intervals. In order to ensure that the entire Committee is not replaced at any one time, such change of members shall be done on a progressive basis.

5. Performance evaluation

- 5.1 The effectiveness of the RMC (including skills mix and contribution of members) shall be assessed annually by the NRC (*paragraph 15.08A of Main Market Listing Requirements by Bursa Malaysia Securities Berhad and Practice 5.1 of the Malaysian Code on Corporate Governance*).

6. Duties

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

6.1 To carry out the following, in relation to the **risk oversight**:

- (a) Determine the Group's risk appetite, framework, policies and processes for identifying and managing and/or accept risks beyond the approval discretion provided to Management.
- (b) Provide recommendations to the Board on the risk strategy, parameters of the Group's risk-reward trade-off, monitor the alignment of the Group's risk profile with the risk appetite and ensure that the Group maintains an appropriate level and quality of capital in line with the risks inherent in its activities and projected business performance;
- (c) Monitor changes anticipated for the business environment, including consideration of emerging risks, legislative or regulatory changes, major initiatives and other factors considered relevant to the Group's risk profile and provide report on the same to the Board for overall consideration on the Group's business and operations;
- (d) Engage Group Risk Management Department ("GRMD") in ongoing risk appetite dialogue and provide timely input to the Senior Management as business condition changes and new opportunities arise;
- (e) Receive, review, scrutinise and provide commentaries on reports from the GRMD concerning: i) Risk management policies, strategies, processes and controls, status of the implementation and effectiveness thereof, within the divisions and, if thought fit, approve or vary them; ii) Alignment or integration of risk management activities with other management activities/tools which include formulation of strategies, development of business plans, budgeting, forecasting and performance review, within the divisions; and iii) Identification, management and mitigation of enterprise risks which could impact the achievement of business objectives.
- (f) Encourage a healthy risk culture and watch for dysfunctional behaviours which may impair the effectiveness of the risk management process;
- (g) Review the policies and procedures of assessing information technology and cybersecurity risks;
- (h) Review and recommend to the Board the statement on risk management and internal control;
- (i) Review the external auditor's management letter and management's response;
- (j) Identifying and monitoring the Group's corruption risks;
- (k) Approve the appointment and termination of the Head of Group Risk Management;
- (l) Review the job grade of the Head of Group Risk Management;
- (m) Review the adequacy of resources allocated for effective management of risk within the Group;
- (n) Overseeing the GRMD so as to ensure it is carried out by the right personnel with the skills, experience, training and authority; and
- (o) Oversee disclosures relating to risk management in accordance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance.

6.2 To carry out the following, in relation to the **investment oversight**:

- (a) Review pertinent considerations relating to proposed investments (including mergers and acquisitions);

- (b) Review and recommend to the Board of Directors all budgeted capital expenditure in excess of RM3 million as proposed by companies within the Group;
- (c) Review and recommend to the Board of Directors all acquisition of assets/properties (including land and trademarks) by the Group. *Note: The Group Managing Director is given the authority to approve any budgeted capital expenditure (excluding land and properties) amounting to RM3 million and below, in line with the Group's Limits of Authority. All capital expenditure approved by the Group Managing Director shall be tabled to the RMC for information;*
- (d) Review and recommend to the Board of Directors any unbudgeted operating expenditure item exceeding the Group Managing Director's limits of authority up to a maximum of RM1 million;
- (e) Review and recommend to the Board of Directors all acquisitions, investments and divestments of companies (excluding dormant companies), setting up of new business including joint ventures, irrespective of value, and disposal of business;
- (f) Monitor progress of investment proposals, capital expenditure and projects approved by the Board of Directors;
- (g) Review and recommend to the Board of Directors any unbudgeted capital expenditure;
- (h) Review the post-expenditure review of the investment proposal, capital expenditures and projects approved by the Board of Directors at least eighteen (18) months upon commencement of the projects; and
- (i) Reviewing financial and operational performance of investments or projects against projected returns.

6.3 To carry out the following, in relation to the **integrity oversight**:

- (a) Review and recommend to the Board all matters related to the governance of integrity/anti-corruption within the Group.
- (b) Review annually:
 - the Group's business ethics and integrity policies and to make recommendations to the Board thereon; and
 - the Group's business ethics and integrity processes and practices.
- (c) Monitor the responses to the Group's whistleblowing line and other mechanisms used to raise concerns, and to oversee actions following breaches of the ethics and business integrity policy or allegations of misconduct;
- (d) Review the major findings of internal investigations relating to integrity/anti-corruption related matters and Management's response and recommend the rectifications needed;
- (e) Review the policies and practices of the Group in respect of business ethics and integrity in relation to the commencement of operations in any new country or territory in which the Group has not previously operated;
- (f) Review and recommend to the Board, compliance with particular best practice guidance or codes in relation to business ethics, integrity and compliance;
- (g) Review the implementation and monitoring of the Group's ISO 37001:2016 Anti-Bribery Management System; and
- (h) Ensure that the Group's communication and training programmes on ethics and business integrity are effective in reinforcing ethical values and further enhance good corporate governance.

The RMC may undertake to perform any additional functions delegated to it by the Board.

7. Meetings

7.1 Meeting frequencies and calling of meetings

- (a) The Committee shall meet at least once in every quarter or as frequently as the circumstances dictate; and
- (b) Additional meetings shall be scheduled as considered necessary by the Committee. The Chairman of the Committee shall call for a meeting if requested to do so by the Chairman of the Board or requested by another member of the Committee.

7.2 Quorum and participation

- (a) The quorum for meetings of the Committee shall be two (2) members;
- (b) In the event the Chairman is unable to be present for a meeting, the members who are present at the meeting can appoint a Chairman among themselves to chair the meeting;
- (c) Each individual Committee member shall attend at least 50% of the Committee meetings held during the financial year;
- (d) The Committee may request other Directors, members of Management, counsels or consultants to attend the Committee meetings by invitation if necessary; and
- (e) The meetings shall convene in a face-to-face manner or remotely (i.e., via virtual means). The member shall ensure all deliberations or information being communicated remotely is treated with confidence, and he/she shall prevent any leakage of information/materials to any third party.

7.3 Notice on meetings and information flow

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

7.4 Voting

- (a) A matter put to vote at the Committee meetings shall be decided by a simple majority of the votes cast and in the event of an equality of votes, the Chairman has the casting vote. A member of the Committee who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, shall not participate in the voting process.

7.5 Circular Resolution

- (a) A circular resolution in writing shall be valid and effectual as if it had been passed at a meeting of the RMC when it is approved and signed by a majority of the RMC members.

7.6 Meeting minutes

- (a) The Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee (*Paragraph 13, Third Schedule of Companies Act 2016*);

- (b) The minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive and contemporaneous evidence without any further proof of the facts thereon stated;
- (c) All members should ensure that the meeting minutes accurately reflect the deliberations and decisions of the Committee, which includes any dissenting comments made (*Guidance to Practice 1.6, Malaysian Code on Corporate Governance*); and
- (d) The reproduction of any parts of the meeting minutes shall only be performed through or by the Secretary.

7.7 Reporting

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

8. Authority

- 8.1 Unless otherwise provided by or subject to any applicable laws or legislative requirements, the Committee shall have the permission to obtain resources needed to fulfil its duties and responsibilities as set out in this Terms of Reference based on an agreed-upon procedure and at the expense of the Group, such as:
 - (a) to obtain professional and independent advice from external advisors with relevant knowledge and experience, either through the Group Managing Director or Company Secretary's office, when it is deemed necessary; and
 - (b) full and unrestricted access to information concerning the Group.
(*paragraph 15.04 of Main Market Listing Requirements by Bursa Malaysia Securities Berhad*)

9. Review and amendment of the terms of reference

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

Halal and Sustainability Committee of Duopharma Biotech Berhad

Terms of Reference

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

1. Purpose

- 1.1 The purpose of the HSC is to assist the Board of Directors (“Board”) in providing stewardship to Duopharma Biotech Berhad (“Duopharma Biotech” or the “Company”) and its subsidiaries’ (collectively referred to as the “Group”) on Halal Pharmaceuticals Agenda (“HPA”) and sustainability matters, covering Environmental, Social and Governance (“ESG”) considerations. The Board is the custodian of the Group’s HPA and sustainability matters.
- 1.2 In the exercise of its functions, it is understood that the HSC is not delegated with decision-making powers but shall report its recommendations to the Board for decision. The existence of the HSC does not diminish the Board’s ultimate statutory and fiduciary responsibility for the decision-making relating to the functions and duties of the Committee.

2. Composition

- 2.1 **Size**
The Committee shall comprise at least three (3) members.
- 2.2 **Membership**
All the Committee members shall be Non-Executive Directors. The Chairman of the Board shall not be a member of the Committee (*Practice 1.4, Malaysian Code on Corporate Governance*).
- 2.3 **Chairman of the Committee**
The Chairman of the Committee shall be a Non-Executive Director. Before appointment as Chairman of the HSC, it is desirable for the appointee to have served on the HSC for an appropriate period.
- 2.4 **Secretary of the Committee**
The Secretary of the Committee shall be the Company Secretary or his or her representative.

3. Appointment of members

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

4. Performance Evaluation

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

5. Duties of the Chairman of the Committee

- 5.1 The key duties of the Chairman of HSC shall include the following:
 - (a) Plan and conduct the HSC meetings;
 - (b) Ensure that the HSC meetings are run efficiently and each agenda item is thoroughly and thoughtfully discussed by all members of the committee;
 - (c) Encourage open discussion during meetings;
 - (d) Oversee reporting to the Board; and
 - (e) Act as the key contact between the Committee members and members of the Board and maintain active ongoing dialogue with Management and both key internal and external stakeholders.
- 5.2 The Chairman of HSC together with other members of the Committee shall also ensure, amongst others, the following:
 - (a) The Committee provides an independent review on the effectiveness and efficiency of the Group’s Halal and sustainability initiatives, and recommends relevant intervention that enables the Group to remain as a halal pharmaceutical industry thought and market leader as well as leading sustainability adopter;
 - (b) The Committee appropriately communicates its insights, views and concerns about relevant transactions and events relating to the Group’s HPA and sustainability agenda to the Board and Management;
 - (c) The Committee’s concerns on matters that may have an effect on the Group’s HPA and sustainability agenda are communicated to the Board and Management; and

- (d) The Committee monitors overall Group's ESG, and Occupational Health and Safety.

5.3 There is coordination with other Board Committees to avoid overlaps or duplications and/or synchronize approaches/activities in the overall Halal and Sustainability stewardship process and other Board Committees' processes.

6. Duties of the Committee

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

6.1 To carry out the following in relation to the **Group's HPA** which includes to:

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

- 6.2 To carry out the following in relation to the **Group's sustainability matters** which include to:
- (a) Review the alignment of ESG efforts undertaken by the Group vis-à-vis the strategic context and expectations of stakeholders;
 - (b) Oversee the effective management of stakeholder engagement with regards to the pursuit of strategic ESG goals;
 - (c) Review the effectiveness of the ESG framework, including policies relating to the health and safety practices of the Group;
 - (d) Oversee the Group's alignment with the relevant regional, national and international sustainability declarations as well as compliance to sustainability related sanctions imposed by the United Nations or Malaysian government;
 - (e) Oversee the Group's Health, Safety and Environment related matters;
 - (f) Monitor the Group's Operation Excellence functions carried out by Sustainability Department;
 - (g) Monitor public policy as well as better practices relating to ESG that may affect the Group's business operations, performance and reputation;
 - (h) Consider and recommend to the Board on positioning and responses in relation to emerging ESG developments and risk factors;
 - (i) Review proposals submitted by shareholders on ESG matters;
 - (j) Review the suggested appointment, fees and scope of independent/external professional advisors as proposed by the Sustainability Department;
 - (k) Oversee the Group's strategies and processes pertaining to business continuity management;
 - (l) Review, oversee the implementation of the Group's ESG strategy to reduce climate change impact and improve Duopharma Biotech overall efficiency;
 - (m) Oversee disclosures relating to sustainability considerations in accordance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance.

The HSC may undertake to perform any additional functions delegated to it by the Board.

7. Meetings

7.1 Meeting frequencies and calling of meetings

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

7.2 Quorum and participation

- (a) The quorum for the Committee shall be two (2) members;
- (b) In the event the Chairman is unable to be present for a meeting, the members who are present at the meeting can appoint a Chairman among themselves to chair the meeting;
- (c) Each individual Committee member shall attend at least 50% of the Committee meetings held during the financial year;
- (d) The Committee may request other Directors, members of Management, counsels or consultants to attend the Committee meetings by invitation if necessary; and
- (e) The meetings shall convene in a face-to-face manner or remotely (i.e., via virtual means). The member shall ensure all deliberations or information being communicated remotely is treated with confidence, and he/she shall prevent any leakage of information/materials to any third party.

7.3 Notice on meetings and information flow

- (a) Notice of the Committee's meeting shall be sent to all members in a timely manner, which should include the date, time, venue and the agenda of the meeting (*Paragraph 4 - notice on meetings, Third Schedule of Companies Act 2016*);
- (b) The HSC meeting agendas shall be developed by the Chairman of the HSC and the Secretary in consultation with Management;
- (c) The Chairman of the HSC together with the Company Secretary shall ensure that sufficient information such as the agenda and accompanying meeting materials for each meeting are circulated at least five (5) business days before each meeting to the Committee members and all those who are invited to attend the meeting, where applicable (*Guidance to Practice 1.6, Malaysian Code on Corporate Governance*).

7.4 Voting

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

7.5 Circular Resolution

- (a) A circular resolution in writing shall be valid and effectual as if it had been passed at a meeting of the HSC when it is approved and signed by a majority of the HSC members.

7.6 Meeting minutes

- (a) The Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee (*Paragraph 13, Third Schedule of Companies Act 2016*);
- (b) The minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive and contemporaneous evidence without any further proof of the facts thereon stated;
- (c) All members should ensure that the meeting minutes accurately reflect the deliberations and decisions of the Committee, which includes any dissenting comments made as well as abstention of the members (*Guidance to Practice 1.6, Malaysian Code on Corporate Governance*); and
- (d) The reproduction of any parts of the meeting minutes shall only be performed through or by the Secretary

7.7 Reporting and disclosure

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

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

8. Authority

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

- (a) to obtain professional and independent advice from external advisors with relevant knowledge and experience, either through the Group Managing Director or the Company Secretary's office, when it is deemed necessary; and
- (b) full and unrestricted access to information concerning the Group.
(*paragraph 15.04 of Main Market Listing Requirements by Bursa Malaysia Securities Berhad*)

9. Review and amendments of the Terms of Reference

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

**Medical and Research
Committee of Duopharma
Biotech Berhad (“Duopharma
Biotech” or the “Company”)**

Terms of Reference

This Terms of Reference sets out the matters concerning the governance of the Medical and Research Committee (“MRC” or the “Committee”).

1. Purpose

- 1.1 The purpose of the MRC is to assist the Board of Directors (“Board”) in providing its expert advice and professional guidance on matters relating to:
- Pharmaceutical strategy;
 - Clinical and pharmacovigilance;
 - Pipeline products with an investment value of RM3 million and above;
 - Disease & treatment trends;
 - Clinical development;
 - Medical ethics;
 - Matters relating to medical devices;
 - Matters relating to clinical trials;
 - Issues relating to products;
 - Issues relating to compliance requirements;
 - Future manufacturing trends / facilities / approaches to acquiring and maintaining a range of distinct technology positions relating to the medical / pharmaceutical industry; and
 - Support for relevant legal cases prosecuted by or against the Group (e.g., relating to products)
- 1.2 In the exercise of its functions, it is understood that the MRC is not delegated with decision- making powers but shall report its recommendations to the Board for decision. The MRC may undertake to perform any additional functions delegated to it by the Board. The existence of the MRC does not diminish the Board’s ultimate statutory and fiduciary responsibility for the decision-making relating to the functions and duties of the Committee.

2. Principles

- 2.1 The Group is engaged in the manufacture, export, import, sale, distribution, research and development of pharmaceuticals, medicines and healthcare products and services.
- 2.2 Research and development of pharmaceuticals, medicines and healthcare products and services are integral parts of the Group’s business practice and sustainability.
- 2.3 The Committee will provide advice and professional guidance related to the above matters and will keep under review the effectiveness of the Group’s research and development activities.

3. Composition

3.1 Size

The Committee shall have at least three (3) members.

3.2 Membership

- (a) The Committee shall comprise: -
 - (i) at least one (1) Non-Executive Director; and
 - (ii) at least two (2) key opinion leaders who are not Directors of the Company.

(Article 110 of the Company's Constitution provides that the Board may establish any committee for managing any affairs of the Company and may appoint any persons to be members of such committee. Article 111 provides that the Board may delegate any of their powers to a committee consisting of either members of their body and/or members and non- members as they think fit.)

- (b) Non-Directors who are appointed as members of the Committee shall not be deemed in any way to be a Director or Board member of the Company or of any subsidiary of the Group.

3.3 Chairman of the Committee

- (a) The members of the Committee must elect a Chairman of the Committee from among the members of the MRC who are Non-Executive Directors. The Chairman of the Board shall not chair the MRC (*Practice 1.4, Malaysian Code on Corporate Governance*).
- (b) Before appointment as Chairman of the MRC, it is desirable and as far as may be practical given the circumstances at the material time for the appointee should have served on the MRC for an appropriate period of time.

3.4 Secretary of the committee:

- (a) The secretary of the Committee ("Secretary") shall be the Head of Medical Affairs of the Company or his or her representative or such other person as determined by the Group Managing Director or the Company Secretary from time to time.
- (b) The Company Secretary of the Company shall receive notices of all meetings of the Committee and the Company Secretary and/or his or her representative shall be entitled to attend all meetings of the Committee.

4. Appointment of members

- 4.1 The Nomination & Remuneration Committee ("NRC") in consultation with the Chairman of the MRC shall recommend the appointment of MRC members to the Board;
- 4.2 Members shall be appointed based on their ability to devote time, character, integrity, competence and experience relevant to their duties of the MRC. Collectively, the Committee should possess a wide range of necessary skills to discharge its duties. All members should be medically and/or pharmaceutically literate and able to understand matters under the purview of the MRC; and

- 4.3 The members serving the Committee shall be changed at appropriate and regular intervals. In order to ensure that the entire Committee is not replaced at any one time, such change of members shall be done on a progressive basis. Notwithstanding anything to the contrary herein contained, the Board, on the recommendation of the NRC, may from time to time fix the duration of tenure of appointment of any member of the Committee. The Board may also remove or terminate the appointment of any member of the Committee at any time (without being obliged to provide any reason whatsoever).

The induction of key opinion leaders as members of the Committee shall be formalised vide a contract for service that outlines their terms of appointment covering amongst others the roles and responsibilities, envisaged time commitment and relevant safeguards including the need to avoid misuse of confidential and proprietary information.

5. Performance evaluation

- 5.1 The effectiveness of the MRC as a Board Committee (including skills mix and contribution of members) shall be assessed annually. All members including key opinion leaders who are appointed as members of the MRC shall be assessed for their contribution and specialised expertise that they bring to bear to the Committee.

6. Duties of the Chairman of the Committee

- 6.1 The key duties of the Chairman of MRC shall include the following:
- (a) Ensure the overall effectiveness and independence of the Committee
 - (b) Plan and conduct the MRC meetings;
 - (c) Ensure that the MRC meetings are run efficiently and each agenda item is thoroughly and thoughtfully discussed by all members of the committee;
 - (d) Encourage open discussion during meetings;
 - (e) Oversee reporting to the Board; and
 - (f) Act as the key contact between the Committee members and members of the Board and maintain active ongoing dialogue with Management.

7. Duties of the committee

- 7.1 Subject to any resolution of the Board, the duties of the Committee are:
- (a) To carry out the matters set out in paragraph 1.1.
 - (b) Not to disclose any of the Group's confidential information, proprietary information or matters of sensitive nature to any unauthorised party.
 - (c) To avoid conflict of interest situations. In the situation where there is a conflict of interest, member must declare & abstain from deliberating, deciding, advising or voting on the matter.

8. Meetings

8.1 Meeting frequencies and calling of meetings:

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

8.2 Quorum and participation:

- (a) The quorum for the meetings of the Committee shall be two (2) members, one of whom shall be a Non-Executive Director;
- (b) In the event the Chairman is unable to be present for a meeting, the members who are present at the meeting can appoint a Chairman among themselves to chair the meeting;
- (c) Each individual Committee member shall attend at least 50% of the Committee meetings held during the financial year;
- (d) The Group Managing Director, Chief Technical Officer, Head of R&D and Head of Regulatory/Clinical Affairs/Pharmacovigilance/Medical Affairs shall normally be invited to attend the meeting;
- (e) The Committee may request other Directors, members of Management, counsels, consultants or other key opinion leaders or experts to attend the Committee meetings by invitation if necessary; and
- (f) The meetings shall convene in a face-to-face manner or remotely (i.e., via virtual means). The member shall ensure all deliberations or information being communicated remotely is treated with confidence, and he/she shall prevent any leakage of information/materials to any third party.

8.3 Notice on meetings and information flow:

- (a) Notice of the Committee's meeting shall be sent to all members in a timely manner, which should include the date, time, venue and the agenda of the meeting (Paragraph 4 – Notice on meetings, Third Schedule of the Companies Act, 2016);
- (b) The MRC meeting agendas shall be developed by the Chairman of the MRC and the Secretary with input drawn from the other MRC members and in consultation with Management and the Company Secretary of the Company; and
- (c) The Chairman of the Committee together with the Secretary shall ensure that sufficient information such as the agenda and accompanying meeting materials for each meeting are circulated at least five (5) business days before each meeting to the Committee members and all those who are invited to attend the meeting, where applicable (*Guidance to Practice 1.6, Malaysian Code on Corporate Governance*).

8.4 Voting

- (a) A matter put to vote at the Committee meetings shall be decided by a simple majority of the votes cast and in the event of an equality of votes, the Chairman of the meeting has the casting vote. A member of the Committee who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, shall not participate in the voting process.

8.5 Circular Resolution

- (a) A circular resolution in writing shall be valid and effectual as if it had been passed at a meeting of the MRC when it is approved and signed by a majority of the MRC members.

8.6 Meeting minutes

- (a) The Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee (*Paragraph 13, Third Schedule of Companies Act 2016*);
- (b) The minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive and contemporaneous evidence without any further proof of the facts thereon stated;
- (c) All members should ensure that the meeting minutes accurately reflect the deliberations and decisions of the Committee, which includes any dissenting comments made as well as abstention of the members (*Guidance to Practice 1.6, Malaysian Code on Corporate Governance*);
- (d) The reproduction of any parts of the meeting minutes shall only be performed through or by the Company Secretary of the Company;
- (e) All minutes of the meetings of the Committee shall be deposited with the Company Secretary's office of the Company.
- (f) All minutes confidential and extracts may only be issued by the Company Secretary of the Company

8.7 Reporting

- (a) The report of each Committee meeting shall be tabled and presented to the Board during the subsequent Board meeting to keep them informed and updated on the key issues deliberated by the Committee.
- (b) The MRC must provide, in the Company's annual report, a statement about its activities in the discharge of its duties for the financial year.

9. Authority

- 9.1 Unless otherwise provided by or subject to any applicable laws or legislative requirements and subject to the prior approval of the Group Managing Director or the Company Secretary, the MRC may obtain resources needed to fulfill its duties and responsibilities as set out in this Terms of Reference at the expense of the Group, such as:
- (a) to obtain professional and independent advice from external advisors with relevant knowledge and experience, either through the Group Managing Director or the Company Secretary's office, when it is deemed necessary; and
 - (b) only to the extent necessary for the MRC to perform its purpose and duties and subject to the obligation of each member of the MRC to maintain confidentiality and secrecy of such information, access to relevant and reasonable information concerning the Group.

10. Review and amendment of the Terms of Reference

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