



UMEDIC GROUP BERHAD

[COMPANY NO.: 202101015347 (1415647-D)]

(Incorporated in Malaysia)

BOARD CHARTER

1. OVERVIEW

The Board Charter sets out the principal functions, composition, roles and responsibilities of the Board of Directors of UMediC Group Berhad (“UMC” or “Company”) (“Board”) and also the functions and responsibilities delegated to the Board Committees as well as to the Management of UMC and its subsidiaries (“Group”).

The Board is primarily responsible for ensuring that the principles of good corporate governance are practised and appropriate governance structure is in place in creating, protecting and enhancing shareholders’ and stakeholders’ values and in promoting stability.

The Board has a duty of being effective steward and guardian of the Company in setting strategic directions and in overseeing the conduct of business and also in ensuring that the Company is in compliance with laws and ethical values and maintains an effective governance structure to ensure the appropriate management of risks and level of internal controls.

2. OBJECTIVES

The objectives of the Board Charter are to ensure that the members of the Board are aware of their roles, duties and responsibilities and the application of principles and practices of good corporate governance in their business conduct and dealings in respect of, and on behalf of the Company and the various laws and legislations governing them and the Company.

3. ROLES AND RESPONSIBILITIES

3.1 BOARD OF DIRECTORS

The Board takes full responsibility for the overall performance of the Company and its Group and its obligations to the Company’s shareholders and stakeholders.

The principal roles and responsibilities of the Board are as follows: -

- a. Review and adopt strategic plans/direction of the Group including setting performance objectives and approving operating budgets for the Group and to ensure that the strategies promote sustainability within the aspects of environment, social and economy and necessary resources are in place for the Company to meet its objectives. The Board is also responsible for monitoring the implementation of such plans/directions by the Management.
- b. Review and adopt corporate objectives of the Group which includes performance targets and long-term and medium-term goals.
- c. Identify the principal risks affecting the Group and recognise that business decisions involve the taking of appropriate risks.
- d. Set the risk appetite within which the Board expects the management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks.

- e. Oversee the implementation of the Anti-Bribery & Anti-Corruption Policy, Whistleblowing Policy and Code of Conduct and Ethics, which shall articulate the acceptable practices and guide the behaviour of Directors, Management and employees.
- f. Succession planning for Chief Executive Officer (“CEO”) and Management, including the implementation of appropriate systems for recruiting, training and determining the appropriate compensation benefits.
- g. Oversee the implementation of a shareholders’ communication policy and investors’ relations program for the Company, to enable effective communications with its shareholders and stakeholders.
- h. Review the adequacy and integrity of the Group’s internal control systems and management information systems and to ensure regulatory compliance with applicable laws, regulations, rules and guidelines.
- i. Oversee that both safety and security risks are managed effectively to ensure protection of personnel, information and other assets.
- j. Encourage employees and related stakeholders to report to the Company any legitimate concerns over any wrongdoing relating to unlawful conduct, financial malpractice or dangers to the public or the environment within as well as any suspected and/or real corruption incidents.
- k. Initiate a Board’s self-evaluation program and follow-up action to deal with issues arising and arrange for Directors to attend courses, seminars and participate in development programs as the Board judges appropriate.
- l. Delegate certain responsibilities to the various Board Committees with clearly defined terms of reference to assist the Board in the discharge of its responsibilities.
- m. Set, together with Management, the sustainability strategies, priorities and targets of the Group and ensure that these are communicated to the internal and external stakeholders.
- n. Take appropriate action to ensure that they stay abreast with and understand the sustainability issues relevant to the Company and its businesses including climate-related risks and opportunities.

3.2 POWERS AND DUTIES OF THE BOARD

The powers and duties of the Board are as follows: -

- a. The Directors may exercise all such powers of the Company and do all such acts on behalf of the Company in managing the business within the scope of the Company’s Constitution and of the Companies Act, 2016 and their subsequent amendments thereto.
- b. The Board is to establish written procedures in determining the relevant issues which require the decision of the Board and issues which can be delegated to the Board Committees or Management.
- c. The Board has full decision-making powers on the following matters: -

- i. Corporate strategic plan and annual budgets.
- ii. Major policies which include, but not limited to, the Anti-Bribery & Anti-Corruption policy, Whistleblowing Policy, Code of Conduct and Ethics; and Risk Management Policy.
- iii. Treasury policies including financing facility required by the Group.
- iv. Authority limits and any revisions thereto.
- v. Annual financial statements and quarterly financial results.
- vi. Material capital expenditure and acquisitions and disposal of assets which are not in the ordinary course of business of the Group
- vii. Conflict of interest issues relating to substantial shareholders or Directors.
- viii. Declaration of interim dividends.
- ix. Board structure including appointment of Directors and members of the Board Committee.
- x. Any significant business decision.
- xi. The granting of powers of attorney by the Company.
- xii. Change of accounting reference date, registered office and name of the Company
- xiii. Any matters requiring the convening of a general meeting of shareholders.
- xiv. Any other issues which may be required by the laws or the governing authorities or decided by the Board from time to time.

4. ROLE OF AN INDIVIDUAL DIRECTOR

Each Director is aware of his/her responsibilities to the shareholders and stakeholders for the manner in which the affairs of the Company are managed.

All Directors are expected to comply with statutory and other obligations when discharging their responsibilities as Directors of the Company, including:

- a. exercising his/her powers for a proper purpose, and acting in good faith and in the best interests of the Group.
- b. exercising reasonable care, skill and diligence by applying the knowledge, skill and experience which may reasonably be expected from a director having the same responsibilities; and applying any additional knowledge, skill and experience which they have in directing or managing the business and affairs of the Group.
- c. maintaining a sound understanding of the business, and keep abreast of relevant developments to ensure he/she is able to discharge his/her duties and responsibilities effectively.
- d. preparing for Board meetings, contributing constructively to Board discussions and decision making, and conducting due inquiry before approving a matter.
- e. ensuring key transactions or critical decisions are deliberated and decided on by the Board in a meeting.
- f. ensuring his/her decisions and the basis for those decisions, including any dissenting views are made known and properly minuted.
- g. avoiding conflicts of interest with the Group in a personal or professional capacity.

- h. not accepting a benefit from or providing a benefit to a third party by reason only of:
 - he/she being a director; or
 - he/she doing something or refraining from doing anything as a director; unless he/she is permitted to do so by the Company's Constitution or Code of Conduct and Ethics and it is not contrary to any written law.
- i. refraining from making improper use of information gained through the position of director and from taking improper advantage of the position of director.
- j. ensuring Board information, discussions, deliberations and decisions that are not publicly known confidential and not used for personal interest or their employers' interest.
- k. notifying the Chairman of the Board before accepting any new directorship in listed companies and ensuring that the directorships held by the Board member at any one time shall not exceed 5 in listed companies.
- l. disclosure of and abstaining from voting on matters of material personal interest.

5. ROLE OF CHAIRMAN

The Board shall appoint one of its members to be Chairman of the Board in accordance with the Constitution of the Company. The positions of Chairman and Chief Executive Officer are held by different individuals. The Chairman of the Board should not be a member of Audit and Risk Management Committee, Nomination Committee or Remuneration Committee.

The Chairman is responsible for: -

- a. Leadership of the Board;
- b. Overseeing the Board in discharging of its fiduciary duties;
- c. Setting Board agenda with consultation with the Secretary, Board members and Management; and ensuring efficient and effective conduct of the Board meetings;
- d. Ensuring the provision of accurate, timely and clear information to members of the Board;
- e. Ensuring effective conduct of general meetings and allows shareholders to participate actively in such meetings;
- f. Ensuring effective communication between the Board and the shareholders and stakeholders and that their views are communicated to the Board;
- g. Promoting constructive and respectful relations between Board members and between the Board and Management;
- h. Acting on the results of board performance evaluation by recognising the strengths and addressing the weaknesses of the Board; and

- i. Leading the Board in the adoption and implementation of good governance practices.

6. ROLE OF CEO

The CEO implements the policies, strategies and decisions adopted by the Board. He is responsible for the day-to-day management of the Group with all powers, discretions and delegations authorised, from time to time, by the Board.

The CEO shall ensure that the business and affairs of the Group are carried out in compliance with the relevant laws, regulations, rules and guidelines.

The CEO is to lead and provide direction on business development, and to make appropriate recommendations to the Board on proposed strategic investments and corporate exercises.

The CEO is responsible for bringing material matters to the attention of the Board in an accurate and timely manner.

7. ROLE OF INDEPENDENT DIRECTOR

The independent directors are responsible for providing independent views, advice and judgement to matters under consideration by the Board.

The independent directors help to ensure that the long term interests of all the shareholders and stakeholders of the Company are taken into account by the Board and that the relevant issues are subject to objective and impartial consideration by the Board.

The tenure of an independent director should not exceed a term limit of 9 years. Upon completion of the 9 years, an independent director may continue to serve on the Board subject to the director's re-designation as a non-independent director. Otherwise, the Board must justify and seek shareholders' approval through a two-tier voting process at the Company's annual general meeting in the event it would like to retain the director as an independent director.

8. ROLE OF BOARD COMMITTEES

The Board may delegate responsibilities for specific matters to the Board Committees to assist in the discharge of its responsibilities. The Board Committees report and make recommendations to the Board who is ultimately responsible for all decision made.

The current Board Committees of UMC are: -

- a. Audit and Risk Management Committee;
- b. Remuneration Committee; and
- c. Nomination Committee.

Each Board Committee has its own Terms of Reference approved by the Board and are periodically reviewed by the Board.

The Chairman of the relevant Board Committees will report to the Board on the key issues deliberated by the Board Committees at the Board meetings.

9. BOARD MEETINGS AND PROCEDURES

The Board shall meet at least four (4) times a year and has a formal schedule of matters reserved for the Board to decide.

The notice of Board meetings shall be issued at least five (5) business days prior to the meeting.

The quorum for the Board meeting shall be two (2) members.

Together with the Chairman, the CEO is responsible for the appropriate preparation and documentation of issues to be dealt with by the Board. The Board's documentation shall contain sufficient information to provide the Board members with an adequate basis to deliberate and reach a decision on the issue in question.

Proceedings of all meetings are minuted and signed by the Chairman of the meeting. Minutes of all Board meetings are circulated to the Directors and approved by the Board at the subsequent meeting and recorded in the minutes book kept by the Company Secretary.

The Board may invite external parties such as auditors (both internal and/or external auditors), solicitors or consultants as and when the need arises. Such invited parties may attend part or all of the Board meeting at the discretion of the Board.

10. DECLARATION OF INTEREST/CONFLICT OF INTEREST

A Director, who is in any way, whether directly or indirectly interested in a contract or proposed contract with the Company shall declare the nature of his interests in accordance with the provisions of the Companies Act, 2016 and shall excuse himself from Board discussions and deliberations and voting in respect of those resolutions/interests.

11. ACCESS TO INFORMATION AND ADVICE

The Board members have access to all information pertaining to the Company and Management shall supply accurate and complete information to the Board in a timely manner to enable the Board to discharge its duties effectively.

The Directors acknowledge that the confidential information received in the course of exercise of the Board duties remains the property of the Group, whether it relates to the Group or another entity. It will not be disclosed unless the disclosure is required by law.

All Directors have access to the advice and services of the Company Secretary.

A Director is entitled to seek independent professional advice, including but not limited to legal, accounting and financial, either collectively or individually as may be considered necessary in furtherance of their duties and responsibilities at the expense of the Company.

12. DIRECTORS' TRAINING

All Directors are required to attend the Mandatory Accreditation Program in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Board will assess the training needs of the Directors and the Directors are expected to undertake any necessary professional education or training program to enable them to discharge their duties as a Director.

13. FINANCIAL REPORTING

The Board is responsible for reviewing the Management's draft of the financial statements. The Company aims to present a clear and fair assessment of the Company's financial position and future prospects in respect of all quarterly results, annual financial statements and announcements issued by the Company within the stipulated timeframe.

The Board is assisted by the Audit and Risk Management Committee who helps to scrutinise information to ensure disclosures are made accurately and adequately on a timely basis.

14. SHAREHOLDERS COMMUNICATION POLICY

The Board ensures timely release of financial results and various announcements to provide shareholders with an overview of the Company's performance, corporate strategies and other matters affecting the interests of shareholders.

The Board shall prepare issues to be dealt with at shareholders' meetings and use the shareholders' meeting to communicate effectively with its shareholders, stakeholders and the public in general.

The Board maintains appropriate corporate disclosure policies and procedures which are in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

15. REVIEW OF THE BOARD CHARTER

The Board shall review the Board Charter at least once in every financial year and to make any necessary amendments as and when the Board deems necessary.