

# BOARD CHARTER

# CENGILD MEDICAL BERHAD

Registration No. 202101004143 (1404442-P)

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## 1. INTRODUCTION

- 1.1 The Board of Directors (“Board”) of Cengild Medical Berhad (“Company”) commits itself to instilling good corporate governance practices in the Company and its subsidiaries from time to time (“Group”) in accordance with the principles set out in the Malaysian Code on Corporate Governance (“MCCG”) as the Board believes that corporate governance is vitally important to the success of the Group’s business.
- 1.2 The Board shall be the focal point of the Group’s corporate governance practices and is ultimately responsible for:
- a. setting the Group’s strategic aims to ensure that necessary resources are in place for the Group to meet its objectives and review its management’s performance and affairs of the Group;
  - b. promoting the Group’s values and standards; and
  - c. ensuring that the Group’s obligations to its shareholders and other stakeholders are understood and met.
- 1.3 This Board Charter sets out:
- i. the composition, roles, responsibilities and processes of the Board, individual Directors and management; and
  - ii. the delegation of authority by the Board to various Board committees (“Board Committees”) to safeguard the Board members in performing their responsibilities on behalf of the Group for the benefit of the Company and its stakeholders.
- 1.4 This Board Charter is subject to the provision of the Companies Act 2016 (“the Act”), Company’s Constitution, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”), the practices and guidance of the MCCG and any other applicable laws or regulatory requirements.

## 2. BOARD STRUCTURE

### 2.1 Board Composition

- 2.1.1 The Board must comprise a balance of Executive Directors and Non-Executive Directors (including Independent Non-Executive Directors),

such that no individual or a group of individuals can dominate the Board's decision making.

- 2.1.2 The Board must consist of qualified individuals with diverse set of skills, diversity, expertise and experience from different background to govern the Company.
- 2.1.3 The Constitution of the Company states that unless otherwise determined by the Company in general meeting, the number of Directors must not be less than two (2) (excluding Alternate Director) nor more than nine (9). At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members must be Independent Directors. The composition and size of the Board will be reviewed from time to time to ensure its effectiveness.
- 2.1.4 Pursuant to Rule 15.06 of the Listing Requirements, the Directors must not hold more than five (5) directorships in the listed companies on Bursa Securities.
- 2.1.5 On boardroom diversity, the Board is supportive of the gender boardroom diversity recommended by MCCG. The Board through the Nominating Committee ("NC") will continuously review the Board composition taking into consideration the appropriate competence, experience, character, integrity and time to effectively discharge his/her role as a Director. The Board intends to pursue the target of 30% women Directors in line with Practice 5.9 of the MCCG.

## 2.2 Appointments

- 2.2.1 The appointment of a new Director is a matter for consideration and decision by the Board, upon recommendation from the NC.
- 2.2.2 In making its recommendation, the NC shall consider the character, experience, competence, integrity and time of the candidates, as well as the following factors:-
- skills, knowledge and expertise;
  - age and gender;
  - professionalism;
  - culture background and diversity;
  - commitment;
  - contribution and performance; and
  - in the case of candidates for the position of Independent Non-Executive Directors, the Board shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.

2.2.3 Upon the appointment of a Director, the said Director shall provide to Bursa Securities an undertaking prescribed by Bursa Securities in any event not later than fourteen (14) days.

2.2.4 New Directors are expected to have such expertise as to qualify them to make a positive contribution to the Board performance of its duties. New Directors are required to commit sufficient time to attend the Company's meetings or matters before accepting his/her appointment to the Board.

## 2.3 Tenure of Directors

2.3.1 Pursuant to the Constitution of the Company, at the Annual General Meeting ("AGM"), one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of the AGM in every year provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

2.3.2 The Directors to retire in every year shall be the Directors who have been longest in office since the Directors' last election, but as between persons who became Directors on the same day, the Directors to retire shall be determined by lot, unless they otherwise agreed among themselves.

2.3.3 The tenure of an Independent Director shall not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director, may continue to serve on the Board as a Non-Independent Director.

If the Board intends to retain an Independent Director beyond nine (9) years, it shall seek annual shareholders' approval through a two-tier voting process in accordance with MCCG.

2.3.4 A candidate shall not be considered fit for directorship if he or she:-

(a) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation;

(b) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or

(c) has been convicted by a court of law of an offence under the securities laws of Malaysia or the Act,

within a period of five (5) years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.

2.3.5 The office of a Director shall become vacant if the Director:-

- (a) falls within the circumstances set out in Section 208 of the Act, where the Director:-
  - (i) resigns from office as Director by giving a written notice to the Company at its registered office;
  - (ii) retires in accordance with the Act or the Constitution of the Company but is not re-elected;
  - (iii) is removed from office in accordance with the Act or the Constitution of the Company;
  - (iv) becomes disqualified from being a Director under Section 198 or 199 of the Act;
  - (v) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
  - (vi) dies; or
  - (vii) otherwise vacates office in accordance with the Constitution of the Company;
- (b) is absent from more than 50% of the total Board meetings held during a financial year; or
- (c) is convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences listed in 2.3.4 above.

2.4 Board Independence

2.4.1 An Independent Director means a director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company.

Without limiting the generality of the foregoing, an Independent Director is one who:-

- (a) is not an Executive Director of the Company or any related corporation of the Company (each corporation is referred to as "said Corporation");
- (b) is not, and has not been within three (3) years, an officer (except as an Independent Director) of the said Corporation. For this purpose, "officer" has the meaning given Section 2 of the Act;

- (c) is not a major shareholder of the said Corporation;
- (d) is not a family member of any Executive Director, officer or major shareholder of the said Corporation;
- (e) is not acting as a nominee or representative of any Executive Director or major shareholder of the said Corporation;
- (f) has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Securities, or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by Bursa Securities; or
- (g) has not engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities, or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities.

2.4.2 The roles of the Independent Non-Executive Directors are essential in bringing independent judgement and ensuring all issues proposed by the Executive Directors are fully discussed and examined to take into account the long-term interests, not only of the shareholders, but also other stakeholders such as the employees and business associates.

2.4.3 The roles of the Senior Independent Non-Executive Director include the following:

- (a) serves as a sounding board to the Chairman;
- (b) serves as an intermediary for other Directors when necessary;
- (c) leads the performance evaluation of the Chairman;
- (d) fosters objectivity in instances whereby the Chairman and Group Chief Executive Officer (“GCEO”) are related;
- (e) acts as point of contact for shareholders and other stakeholders particularly on concerns which cannot be resolved through the normal channels of the Chairman and/or GCEO;

- (f) leads the succession planning and appointment of Board members, including the future Chairman and GCEO; and
- (g) leads the annual review of Board effectiveness, ensuring that the performance of each individual Director is assessed objectively and holistically.

### 3. ROLES AND RESPONSIBILITIES

#### 3.1 The Board

3.1.1 The Board has the overall responsibility for the long-term success of the Group and delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and responsibilities, the Board assumed the following corporate governance guidelines:-

- (a) together with management, promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- (b) reviewing and setting a strategic plan for the Group to ensure that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- (c) reviewing, challenging and deciding on management's proposals for the Group, and monitoring its implementation by management;
- (d) overseeing the conduct of the Group's business to ensure it is properly managed, including supervising and assessing corporate behaviour and conduct of the business of the Group;
- (e) identifying the principal risks and ensuring implementation of appropriate internal controls and mitigation measures to achieve a proper balance between risks incurred and potential returns to the shareholders;
- (f) reviewing the information and risk management and internal control system and the effectiveness of the management;
- (g) ensuring there is an orderly succession of senior management positions who are of high calibre and have the necessary skills and experience. The Board delegates to the NC and Remuneration Committee ("RC") to review succession plans and remuneration packages for the Directors respectively as well as the Group's policies and procedures on remuneration for the



employees of the Group. The Board also ensures that there are appropriate policies for training, appointment and performance monitoring of management positions;

- (h) developing and implementing an investor relations programme or shareholders' communications policy for the Group to enable effective communication with stakeholders;
- (i) reviewing and approving financial statements;
- (j) reviewing and approving the reports of the Audit Committee ("AC") (including the status of compliance of the Undertakings\* by employee consultants to the Group), Risk Management Committee ("RMC"), NC and RC at the end of each financial year;

*Note:-*

\* *Employee Consultants shall not practice at other medical centres:*

- (i) after three (3) years from the date the Company is listed on the ACE Market of Bursa Securities; or*
- (ii) on full commencement of operations at the expanded area of the Group's existing medical centre,*

*whichever is the earlier, unless written approval from the Company has been obtained and the following conditions are met:*

- (i) employee consultants only consult and treat patients at other medical centre where such patients have other illnesses that require the attention of other specialists not available at the Group's medical centre; and*
- (ii) employee consultants shall not practise at other medical centres more than two (2) clinic sessions a week.*

- (k) reviewing and approving the Company's annual report;
- (l) ensuring the integrity of the Company's financial and non-financial reporting; and
- (m) undertaking a formal and objective annual evaluation to determine the effectiveness of the Board, the Board Committees and each individual Director.

3.1.2 The Board reserves a formal schedule of matters for the Board's deliberation and approval. This includes, among others, the following matters:-

- (a) Strategic issues and planning, including sustainability;
- (b) Budget and performance reviews;
- (c) Quarterly financial results and audited financial statements;
- (d) Dividend policy or declaration of dividends;
- (e) Capital expenditures;
- (f) Material borrowings;
- (g) Treasury policies;
- (h) Key human resources issues;
- (i) Material acquisitions and disposals of undertakings and properties;
- (j) Proposed appointment of external auditors and their audit fees;
- (k) Related party transactions (“RPT”), recurrent RPT and conflict of interest which includes any arrangements for the employee consultants of the Group to perform consultations and treatments in other medical centre outside the Group and any other transaction, procedures or course of conduct that raises question on management integrity and any recommendations relating thereto as set out in paragraphs 9.10, 9.11 and 9.12 of the Terms of Reference of AC; and;
- and
- (l) New venture.

### 3.2 Chairman

- 3.2.1 The Chairman is elected by the Board members to provide leadership at Board level and represents the Board to the shareholders and other stakeholders. The Chairman will act independently in the best interest of the Group.
- 3.2.2 The Chairman is responsible for ensuring Board effectiveness and promoting the highest standards of integrity, probity and corporate governance throughout the Group.
- 3.2.3 The responsibilities of the Chairman, amongst others, are as follows:-
  - (a) setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;
  - (b) leading the Board in establishing and monitoring good corporate governance practices in the Group;
  - (c) leading Board meetings and discussions and acting as a facilitator at Board and ensuring appropriate level of interaction among Board members;
  - (d) encouraging active participation at Board meetings and allowing dissenting views to be freely expressed;
  - (e) promoting constructive and respectful relations between Directors and senior management;

- (f) ensuring compliance with all relevant regulations and legislation; and
- (g) representing the Board to shareholders and ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

3.2.4 The positions of Chairman and GCEO are held by different individuals.

### 3.3 Group Chief Executive Officer

3.3.1 GCEO is the highest-ranking executive in the Company, whose primary responsibilities include making major corporate decisions, managing the overall operations and resources of the Group, acting as the main point of communication between the Board and corporate operations and being the public face of the Group.

3.3.2 The GCEO is appointed by the Board upon recommendation of the NC.

3.3.3 Generally, the GCEO is accountable to the Board for, among others, the following:-

- (a) managing the day-to-day business operations of the Group;
- (b) ensuring that the applicable rules and regulations for the conduct of 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;
- (c) representing the Group as the key spokesperson with all stakeholders including investors, regulators and business partners;
- (d) leading the development of the Group's operations and businesses and recommending short and long-term strategies to the Board;
- (e) assessing all business opportunities which are potentially benefit to the Group;
- (f) maintaining awareness of the competitive market landscape, expansion opportunities and industry developments;
- (g) ensuring that the Group maintains high social responsibility wherever it does business;

- (h) creating and implementing the Company's vision and mission; and
- (i) serving as a focal point for stakeholders' communication and engagement on corporate governance issues.

### 3.4 Executive and Non-Executive Directors

- 3.4.1 Executive Directors are the senior management of the Company who involved in the day-to-day management of the Group.
- 3.4.2 Executive Directors assist the Board in decision-making process through their technical expertise and knowledge of the business and its industry.
- 3.4.3 Executive Directors, with the help of management, assist the Board in facilitating the orientation of new Directors and Director training and development.
- 3.4.4 Non-Executive Directors is a member of the Board who is not an employee of the Company. Non-Executive Directors can be classified as:-
  - those who have no direct or indirect pecuniary interest in the Company other than their Directors' emoluments and their permitted shareholdings in the Company;
  - those who are not employees of the Company or affiliated with it in any other way and are not involved in the day-to-day running of business but may have a pecuniary interest in the Company, whether direct or indirect; or
  - those who are not employees of the Company but are standing as nominees for substantial shareholders.
- 3.4.5 Non-Executive Directors need to be sound in judgement and to have an inquiring mind.
- 3.4.6 Non-Executive Directors should question intelligently, debate constructively, challenge rigorously and decide dispassionately.
- 3.4.7 Non-Executive Directors may act as a bridge between management, shareholders and other stakeholders. They should provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.

3.4.8 The responsibilities of Non-Executive Directors are, amongst others, as follows:-

- (a) advising and directing management in the development and evaluation of strategy;
- (b) scrutinising the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance;
- (c) satisfying themselves that the financial information presented is accurate; and
- (d) reviewing the risk management and internal control systems to ensure that they are robust and defensible.

#### 4. **BOARD COMMITTEES**

The Board has set up the following Board Committees with different functions delegated to assist the Board in carrying out its duties and responsibilities:

- (a) AC;
- (b) NC;
- (c) RC; and
- (d) RMC.

Apart from the above Board Committees, the Board may from time to time establish other Board Committees to assist the Board in discharging its responsibilities more effectively.

These Board Committees do not make decision on behalf of the Board. Each Board Committee will have the authority to examine particular issues within its terms of reference and make the necessary recommendations to the Board for its consideration and decision making.

The duties and powers delegated to these Board Committees are set out in the Terms of Reference of each Board Committee as approved by the Board. The Terms of Reference of each Board Committee is available on the Company's website at [<https://www.cengild.com/corporate-governance/>]

#### 5. **BOARD MEETINGS**

##### 5.1 Frequency

The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

## 5.2 Notice and Agenda

The notice of Board Meeting, detail agenda and the supporting Board Papers should be given 5 business days prior to each Board Meeting allowing Directors sufficient time to review the same. Directors are expected to review in advance Board Papers in order to facilitate meaningful deliberation during each meeting.

## 5.3 Quorum

The Directors may meet together for the despatch of business at such time and place, adjourn and otherwise regulate their meetings and proceedings as they think fit. The quorum necessary for the transaction of the business of Directors shall be two (2).

## 5.4 Chairman's role in meeting

In the absence of the Chairman, the members present shall elect a Chairman from amongst themselves to chair the meeting. The Chairman encourages constructive and healthy debate and allows the Directors to freely express their views or share information with their peers in the course of deliberation as a participation Board.

## 5.5 Attendance

All Directors must meet the minimum 50% attendance requirement imposed by the Listing Requirements. Senior management who are not Directors may be invited to attend and speak at Board meetings on certain matters relating to their areas of responsibility. The Board may also invite external parties such as auditors, solicitors and consultants to attend as and when the need arises.

## 5.6 Meeting Mode

The Directors may participate at a Board Meeting or any Board Committee meeting by conference telephone, video, electronic or such other communication facilities which would permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. The physical presence of Director(s) is not compulsory and participation at such Board Meeting in the aforesaid manner shall be deemed to constitute presence in person at such meeting. The Directors participating at any such Board Meeting shall be counted in the quorum for such meeting. All resolutions agreed upon by the Directors at such a meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held. All information and documents must be made equally available to all participants prior to, at or during the Board Meeting. The participation in a meeting by means of a conference telephone or similar electronic telecommunication device shall be treated with

confidence, and he/she shall prevent any leakage of information/materials to any third party.

#### 5.7 Directors' Written Resolution

In the event matters requiring the Board's decision arise between Board Meetings, such matters shall be resolved through written resolutions which shall be supported by relevant papers setting out details of the subject matter. Such written resolutions signed or approved by a majority of the Directors entitled to vote and sign on the resolution, if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the Director shall be as valid and effectual as if it were a resolution duly passed at a Board Meeting. Such resolutions may consist of several documents in like form, each signed by one or more Board members.

#### 5.8 Voting

All resolutions of the Board shall be adopted by a majority of votes, each member having one vote. In the case of equality of votes, where two (2) Directors form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue, shall not have a casting vote. Otherwise in the case of an equality of votes the Chairman shall have a second or casting vote.

Directors are required to inform the Board of conflicts or potential conflict of interest that they may have in relation to a particular subject matter or business transaction. These Directors shall abstain from deliberation and voting on those matters.

#### 5.9 Minutes

The minutes shall record the proceedings of the meeting, pertinent issues, inquiries or responses, members' suggestions and the decisions made, including whether or not any Director has abstained from voting or deliberating on a particular matter, as well as the rationale behind those decisions. Minutes of meeting shall be circulated to all members of the Board in a timely manner.

### 6. **REMUNERATION OF DIRECTOR**

The performance of Directors is measured by the Directors' contribution and commitment to both the Board and the Company.

The fees and any benefits payable to the Directors shall be subject to annual shareholder approval at a general meeting.

The Directors shall be paid all traveling, hotel and other reasonable expenses, properly and reasonably incurred by them in the execution of their duties including any such expenses incurred in connection with attending and returning from

meetings of Directors or Board Committees or any other meetings of the Company in connection with the business of the Company in the course of the performance of their duties as Directors.

The Company shall provide a fair, reasonable and competitive remuneration for its Executive Directors to ensure that the Company attracts and retains high calibre Executive Directors who have the skills, experience and knowledge to increase entity value to the benefit of all shareholders.

The Board has established a formal and transparent process for approving the remuneration of Directors, whereby the RC is responsible for reviewing the remuneration policy and making recommendations on the same to the Board for approval. In its review, the RC considers various factors including fiduciary duties, time commitments expected of them and the Company's performance.

## **7. INDUCTION AND TRAINING FOR BOARD MEMBERS**

All newly-appointed Directors are required to complete the Mandatory Accreditation Programme required under the Listing Requirements.

All Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes to enable Directors to effectively discharge their duties and sustain active participation in Board deliberations.

The Board with the assistance of the NC, shall assess the training needs of the Directors from time to time, to ensure that Directors have access to training courses or seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of Directors as well as continuing education programme in order to update their knowledge and skills to sustain their active participation in Board deliberations and effectively discharge their duties.

## **8. GENERAL MEETINGS**

### **8.1 Annual General Meeting**

8.1.1 An Annual General Meeting ("AGM") is a yearly gathering between the shareholders of the Company and its Board. The Directors must ensure that AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.

8.1.2 The Company shall in each year hold an AGM within six (6) months of the Company's financial year end and not more than fifteen (15) months shall elapse between the date of one AGM and that of the next.



8.1.3 The notices convening an AGM shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least twenty-one (21) days before the meeting. Any notice of meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least twenty-one (21) days' notice of such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper.

Pursuant to Practice 13.1 of the MCCG, notice for an AGM will be given to shareholders at least 28 days prior to the meeting.

8.1.4 No business shall be transacted at any GM unless a quorum is present when the meeting proceeds to business. For all purposes, two (2) members present in person or by proxy, or, in the case of corporations which are members, present by their representatives appointed pursuant to the provision of the Company's Constitution and entitled to vote shall be a quorum.

## 8.2 General Meeting ("GM")

8.2.1 The Company may also convene a GM other than AGM to transact other businesses.

8.2.2 The Directors may whenever they think fit, convene a GM. GMs shall also be convened on any requisition made in accordance with the provisions of the Act, or if the Company makes default in convening a GM in compliance with a requisition received pursuant to Section 311 of the Act, a GM may be convened by such requisitions in the manner provided in Section 313 of the Act. Any GM convened by requisitions shall be convened in the same manner, as nearly as possible, as that in which GMs are to be convened by the Directors.

8.2.3 Subject always to the provisions of Section 323 of the Act, no business shall be transacted at a GM except business of which notice has been given in the notice convening the GM.

8.2.4 The notices convening a GM shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed of such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper.

8.2.5 No business shall be transacted at any GM unless a quorum is present when the meeting proceeds to business. For all purposes, two (2)

members present in person or by proxy, or, in the case of corporations which are members, present by their representatives appointed pursuant to the provision of the Company's Constitution and entitled to vote shall be a quorum.

9. **ACCESS TO INFORMATION**

All Directors shall have unrestricted access to the management to any information pertaining to the Group, including access to the advice and services of the Company's auditors and consultants, Company Secretary, which is relevant to the furtherance of their duties and responsibilities as Directors of the Company at the expense of the Company.

10. **INDEPENDENT PROFESSIONAL ADVICE**

In discharging the Directors' duties, each Board member is entitled to obtain independent professional advice at the expense of the Company. This is for advice deemed relevant and necessary in order for the Directors to discharge their duties for the overall benefit of the Company.

In such circumstances, the Director shall first discuss it with the Chairman and provide the request to seek professional independent advice for the Board's consideration and approval. It must be noted that such a restriction is not applicable to the Executive Director who is acting in his or her capacity of the furtherance of his/her executive responsibilities and within his/her delegate powers.

11. **CONFIDENTIALITY AND DISCLOSURES OF INTEREST**

The Directors are required to act in the best interest of the Company. The Directors also have a duty of confidentiality in relation to the Company's confidential information.

All information and documentation received by the Board from the Company shall be treated as confidential, unless otherwise expressly decided by the Board. All Board members are responsible for ensuring that any material received is properly protected and remains confidential. If any information is to be provided to third parties, this shall be decided by the GCEO.

A Director should disclose to the Board:-

- (a) any material personal interest they have in a matter which relates to the affairs of the Company; and
- (b) any other interest (direct or indirect) which the Director believes is appropriate to disclose in order to avoid any conflict of interest or the perception of a conflict of interest.

The disclosure should be made as soon as practicable after the Director becomes aware of their interest. Details of the disclosure must be recorded in the minutes of the meeting at which the disclosure is made or the meeting held following the disclosure.

12. **DEALINGS IN SECURITIES**

A Director must not deal in the Company's securities when he is in possession of price sensitive information. All Directors must also comply with the disclosure requirements as prescribed under Chapter 14 of the Listing Requirements when dealing in the Company's securities.

13. **WHISTLEBLOWING POLICY**

The Board is committed to ensure that its business and operations are conducted in an ethical, honesty and integrity manner. To achieve this purpose, the Board has established a Whistleblowing Policy.

The objective of this policy is to provide an avenue for employees and other stakeholders to report genuine concerns in relation to breach of a legal obligation, miscarriage of justice, danger to health and safety or to the environment and the cover-up of any of these issues in the workplace, without the risk of reprisal, separation, demotion, suspension or loss of benefits because of the report.

The Whistleblowing Policy is made available for reference on the Company's website at [\[https://www.cengild.com/wp-content/uploads/HOP-MGT-015\\_POLICY-FOR-WHISTLEBLOWING.pdf\]](https://www.cengild.com/wp-content/uploads/HOP-MGT-015_POLICY-FOR-WHISTLEBLOWING.pdf).

14. **ANTI-BRIBERY AND CORRUPTION POLICY**

The Group is committed to conduct its business in an ethical and honest manner, and to implement and enforce a system that ensure corrupt gratification is prevented. The Group has adopted a zero-tolerance approach against all forms of bribery and corrupt gratification and its associated activities.

The Board and top-level management are committed to acting professionally, fairly and with integrity in all of the Group's business, in whichever country we operate.

This Anti-Bribery and Corruption Policy sets out the responsibilities of the Group and those who work for the Group on the requirements to observe and uphold the Group's zero-tolerance position on "Bribery and Corruption".

The Anti-Bribery and Corruption Policy is made available for reference in the Company's website at [\[https://www.cengild.com/wp-content/uploads/CEN001-GEN-GRP-POLICY-POLICY-FOR-ANTI-BRIBERY-AND-CORRUPTION.pdf\]](https://www.cengild.com/wp-content/uploads/CEN001-GEN-GRP-POLICY-POLICY-FOR-ANTI-BRIBERY-AND-CORRUPTION.pdf).

15. **CODE OF CONDUCT AND ETHICS**

The Group is committed to ensure its business operations are conducted with integrity, transparency and in a responsible manner.

The objective of this policy is to provide the followings:-

- (a) Professional and ethical guidelines for the Directors and employees of the Company with the aim to establish, maintain and enhance the reputation, image and branding of the Company; and
- (b) Display the highest level of professionalism in all aspect of their task complying with all applicable laws and regulations stipulated under this policy.

This policy applies to all employees of the Company and its subsidiary and Directors. The principals and standard of this policy covers all activities, business and functions conducted beyond the normal working hours.

The Code of Conduct and Ethics Policy is made available for reference on the Company's website at [[https://www.cengild.com/wp-content/uploads/HOP-MGT-016\\_CODE-OF-CONDUCT-AND-ETHICS.pdf](https://www.cengild.com/wp-content/uploads/HOP-MGT-016_CODE-OF-CONDUCT-AND-ETHICS.pdf)].

## 16. **INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION**

The Board recognises and values the importance of an effective and clear communication with its shareholders as well as with its potential investors and the public. It is fully committed that the highest standard of transparency and accountability in the disclosure of pertinent information relating to the Group, are adopted. To achieve this, the Company has implemented amongst others, the following:-

- (a) timely release of announcements to Bursa Securities, which include quarterly financial results, material contracts awarded and any other material information that may affect investors' investment decision;
- (b) conducts regular dialogues with financial analysts as a means of effective communication, which enables the Board and Management to convey information relating to the Group's performance, corporate strategy and other matters affecting shareholders' interests;
- (c) press conference which is normally held after the AGM/GM to provide the media an opportunity to receive updates from the Board on the proceedings at the meetings and to address any queries from the media;
- (d) encourage full participation of shareholders at the AGM to ensure a high level of accountability and discussion of the Company's strategy and goals. The Company shall invite the external auditors to attend the

AGM and be available to answer to shareholders' questions about the conduct of the audit and the preparation of the auditor's report; and

- (e) shareholders can gain access to information about the Company including the summary of the Group's investor relation activities and media releases through the Company's website, [<https://cengild.com>]

## 17. **COMPANY SECRETARY**

The Company Secretary shall be a person who is qualified pursuant to Section 235 of the Act.

The Board is supported by a suitably qualified and competent Company Secretary who plays an important role to provide sound governance advice, ensure adherence to rules and procedures, and advocate the adoption of corporate governance best practices.

The responsibilities of the Company Secretary are, amongst others, the following:-

- (a) ensuring that the Board procedures are followed while a meeting is conducted;
- (b) managing all Board and Board Committee meeting logistics, and attending and recording minutes of all Board and Board Committee meetings;
- (c) advising the Board on its roles and responsibilities;
- (d) advising the Board on corporate disclosures and compliance with company law and securities regulations and Listing Requirements;
- (e) managing procedures pertaining to AGM; and
- (f) monitoring corporate governance developments and assisting the Board in adopting good corporate governance practices to meet the Board's needs and stakeholders' expectations.

## 18. **REVIEW OF THE CHARTER**

This Board Charter shall be periodically reviewed and updated by the Board taking into consideration the needs of the Group as well as any development in the rules and regulations that may have an impact on the discharge of the Board's duties and responsibilities.

This Board Charter was reviewed and approved by the Board on 3 March 2022 and is made available for reference on the Company's website [[https://www.cengild.com/wp-content/uploads/Board Charter FINAL 160220220-Cengild-Medical.pdf](https://www.cengild.com/wp-content/uploads/Board_Charter_FINAL_160220220-Cengild-Medical.pdf)].