

## **1.0 INTRODUCTION**

The Board of Directors ("the Board") is responsible for the stewardship of Sunzen Biotech Berhad's ("Sunzen" or "the Company") business and affairs on behalf of Sunzen's shareholders with a view to enhance long term shareholders value as well as investors' interest while taking into account the interests of other stakeholders and maintaining high standards of transparency, accountability and integrity.

The Board is expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

In carrying out its functions whilst supportive of Management, the Board shall discharge its duties and responsibilities vested in it, which include:-

- approve and proactively participate in strategic decisions;
- ensure adherence to its fiduciary obligation;
- challenge Management with questions based on informed knowledge;
- oversee Management's plans, decisions, and actions;
- monitor Management's ethical conduct, financial reporting and regulatory compliance;
- play a critical role in ensuring sound and prudent policies and practices of the Company;
- be capable of effectively achieving good governance and protecting the interests of shareholders;
- ensure there is a sound framework for internal control and risk management;
- set the risk appetite within which the Board expects 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;
- establish a succession planning for Board and Senior Management, including the implementation of appropriate systems for recruiting, training and determining the appropriate compensation benefits; and
- promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour.

## **2.0 OBJECTIVES**

The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good Corporate Governance are applied in all their dealings in respect, and on behalf of, the Company.

In pursuit of the ideals in this Board Charter, the intention is to exceed "minimum legal requirements" with due consideration to recognised standards of best practices locally and internationally. This Board Charter is not an "all inclusive" document and shall be read as a broad expression of principles.

The Board will regularly review this charter and the term of reference of the Board Committees to ensure that they remain consistent with the Board's objectives and responsibilities, and relevant laws, regulations, guidelines and standards of corporate governance.

### **3.0 BOARD SIZE AND COMPOSITION**

- a. The Board should comprise of individuals with character, experience, integrity, competence and time to effectively discharge their role as company director. The composition and size of the Board is such that it facilitates the making of informed and critical decisions.
- b. The number of directors shall not be less than two (2) and not more than twelve (12). The appointment of directors shall be recommended by the Nomination Committee ("NC") and approved by the Board.
- c. At least half of the Board should comprise Independent Directors, but in any event, at least two or one-third (1/3), whichever is higher, of the Board members are Independent Directors.
- d. In the event of any vacancy in the Board, resulting in non-compliance with regulations on the board composition, the Board must ensure that such vacancy is filled within three (3) months.
- e. The Board may appoint a Senior Independent Director to whom shareholders' concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman or the Managing Director ("MD")/Chief Executive Officer ("CEO") have failed to resolve them. The Board shall appoint the Senior Independent Director as the Chairman of the NC unless a better candidate (another Independent Director) is available.
- f. The positions of Chairman of the Board and MD/CEO should be held by different individuals, and the Chairman must be an independent non-executive member of the Board.

The Board recognises the importance of ensuring a balance of power and authority between the Chairman and the MD/CEO with a clear division of responsibility between the running of the Board and the Company's business respectively. The positions of Chairman and MD/CEO are separated and clearly defined.

In the event that the positions of Chairman of the Board and MD/CEO are held by the same person, the Company shall provide explanation and justification in the Annual Report of the Company.

- g. The Board acknowledges the importance of boardroom diversity and the recommendation of the Malaysian Code on Corporate Governance 2017 pertaining to the establishment of a gender diversity policy.

In reviewing the Board composition, the Board with the assistance from the Nomination Committee, will take into consideration all aspects of diversity

including age, gender, ethnicity, skills, experience, independence and background of the Board members.

The Board comprised one (1) female director and shall endeavor to increase female representation on the Board. The Board through its NC should take steps to ensure that women candidates are sought as part of the recruitment exercise.

- h. Any Director must not hold more than five (5) directorships in listed issuers.

Any Director shall seek the approval from the Chairman of the Board before accepting any new directorship in public listed companies. The Director shall give assurance to the Board of his/her continued time commitment to serve the Board and the new appointment shall not be in conflict or compete with the existing appointment.

## **4.0 POSITION DESCRIPTION**

### **4.1 CHAIRMAN**

- i. The Chairman leads the Board and is responsible for the effective performance of the Board.
- ii. The Chairman of the Board shall be an Independent Non-Executive Member of the Board.
- iii. The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role. The Chairman is responsible for:
  - a. leading the Board in setting the values and standards of the Company;
  - b. maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
  - c. ensuring the provision of accurate, timely and clear information to Directors;
  - d. ensuring effective communication with shareholders and relevant stakeholders;
  - e. arranging regular evaluation of the performance of the Board, its Committees and individual Directors;
  - f. facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors; and
  - g. facilitating the ongoing development of all Directors.
- iv. The Chairman, in consultation with the MD/CEO and the Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda and the Board members receive complete and accurate information in a timely manner.

- v. The Chairman ensures effective and efficient conduct and proceedings of the Board and general meetings and is responsible for managing the business of the Board to ensure that:
  - a. all Directors are properly briefed on issues arising at Board meetings;
  - b. sufficient time is allowed for discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion;
  - c. the issues discussed are forward looking and concentrates on strategy; and
  - d. active participation and allow dissenting views to be freely expressed.
- vi. The Chairman promotes constructive and respectful relations between Board members and manages the interface between the Board and Management.
- vii. The Chairman ensures appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.
- viii. The Chairman leads the Board in establishing and monitoring good corporate governance practices in the Company.
- ix. The Chairman ensures that every Board resolution is put to vote.
- x. The Chairman ensures that Executive Directors look beyond their executive functions and accept their full share of responsibilities on governance.

Should the Chairman be absent from a meeting, the members of the Board present at the meeting, may choose one of their numbers to chair the said meeting.

#### **4.2 MD/CEO**

- i. The MD/CEO is primarily accountable for overseeing the day-to-day operations to ensure the smooth and effective running of the Group.
- ii. The MD/CEO is responsible for the development and implementation of the long-term and short-term strategies for the Group and setting the overall strategic policy and direction of the Group's business operations based on effective risk management controls.
- iii. The MD/CEO ensures that the financial management practice is performed at the highest level of integrity and transparency and that the business and affairs of the Group are carried out in an ethical manner and in compliance with the relevant laws and regulations.
- iv. The MD/CEO shall exercise professional skill, due care and diligence when performing his functions, exercising his powers or discharging his duties as well as devote full attention and time to his duties and responsibilities and be able to direct and supervise the Company effectively;

- v. The MD/CEO provides effective leadership to the Group and is responsible for ensuring high management competency and that an effective management succession plan is in place to sustain continuity of operations.
- vi. The MD/CEO is the conduit between the Board and Management in ensuring the success of the Company's governance and management functions.
- vii. The MD/CEO implements the policies, strategies and decisions adopted by the Board. All Board authorities conferred on Management is delegated through the MD/CEO and this will be considered as the MD/CEO's authority and accountability as far as the Board is concerned.
- viii. Keeping the Board fully informed of all important aspects of the Company's operations and ensuring sufficient information is distributed to the Board members.
- ix. In the absence of the MD/CEO, the Senior Executive Director who is fully acquainted with the Company's affairs, is the person who will be directly responsible for the overall running of the Company.
- x. The MD/CEO shall at all times exercise professional skill, due care and diligence when performing his functions, exercising his powers or discharging his duties.

In the absence of the MD/CEO, the Executive Officer who is fully acquainted with the Company's affairs, is the person who will be directly responsible for the overall running of the Company.

#### **4.3 INDEPENDENT DIRECTOR**

- i. An Independent Director is independent of management and free of any business or other relationships that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement, and who otherwise meet the criteria for independence.
- ii. The Independent Directors must give effect to the spirit, intention and purpose of the definition of an Independent Director which enumerated out in Paragraph 1.01 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("ACE Market Listing Requirements").
- iii. The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations to mitigate any possible conflict of interest between the policy-making process and the day-to-day management of the Company.
- iv. The Independent Directors shall constructively challenge and contribute to the development of business strategy and direction of the Company to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

- v. The Independent Directors should ensure effective checks and balances on the Board, and carry significant weight in the Board's decision-making process.
- vi. The Board undertakes to assess the independence of the Independent Directors on an annual basis upon re-appointment or when any new interest or relationship develops.

#### **4.4 SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR**

A senior independent non-executive director should:

- i) ensure all Independent Directors have an opportunity to provide input on the agenda and advise the Chairman on the quality, quantity and timeliness of the information submitted by Management that is necessary or appropriate for the independent non-executive directors to perform their duties effectively.
- ii) consult the Chairman regarding Board meeting schedules to ensure the Independent Directors can perform their duties and with sufficient time for discussion of all agenda items.
- iii) serve as the principal conduit between the independent directors and the chairman on sensitive issues.
- iv) serve as a designated contact for consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact with the chief executive officer and the executive directors.

The Board may appoint a senior independent non-executive director to whom shareholders' concerns can be conveyed.

The selection of senior Independent Non-Executive Director is based on his experience and the significant influence he has within the Board, ability to convey concerns of the independent directors on the Board to the other members of the Board and in the event of dissention between the executive directors of the Company in the execution of their duties as independent directors.

#### **4.5 INDIVIDUAL DIRECTORS**

- i. Directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as Directors. Broadly, these include:-
  - a. acting in good faith and in the best interests of the Company as a whole;
  - b. acting with care and diligence and for proper purposes;
  - c. avoiding conflict of interest with the Company in a personal or professional capacity;
  - d. refraining from making improper use of information gained through the position of director and from taking improper advantage of the position of director;
  - e. keeping abreast of changes and trends in the business and in the Group's business environment and markets and changes and trends in the

- economic, political, social, legal and regulatory climate that could affect the business of the Group; and
  - f. devoting sufficient time to prepare for and attend Board and Board Committee meetings, attend Directors' continuous training programme and briefings.
- ii. Directors will keep all Board information, discussions, deliberations and decisions that are not publicly known confidential and not use information gained through the Board for their interest, or their employers' interest.

## **5.0 GENERAL ROLES AND RESPONSIBILITIES**

The Board should assume, amongst others, the followings roles and responsibilities:-

- a. Reviewing the code of conduct of the Company and implementing appropriate internal systems to support, promote and ensure its compliance;
- b. Reviewing and adopting a sustainable strategic business development plan for the Company;
- c. Regularly evaluating economic, environmental, social and governance issues and any other relevant external matters that may influence or affect the development of the business or the interests of the shareholders in ensuring that the Company's strategies promote sustainability;
- d. Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- e. Reviewing, ratifying and monitoring systems of risk management and internal control and ethical and legal compliance. This includes establishing sound risk management framework, reviewing procedures to identify the main risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;
- f. together with Senior Management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;
- g. reviewing, constructively challenging and making decision on Management's proposals for the Company and monitoring the implementation;
- h. Selecting, appointing and evaluating from time to time the performance of, and planning succession of the MD/CEO under the guidance of the Nomination Committee;
- i. Reviewing the procedures for appointment of senior management and ensuring that succession planning of the senior management is in place;
- j. Establishing an internal audit function which reports directly to the Audit Committee;
- k. Promoting effective communication and proactive engagements within shareholders and other stakeholders;
- l. Ensuring there is a sound framework of reporting on internal controls and regulatory compliance;
- m. Ensuring its members have access to information, advice and appropriate continuing education programmes;
- n. Reviewing and approving formal and transparent remuneration policies and procedures to attract and retain directors;
- o. Ensuring there is appropriate corporate disclosure policies procedures;
- p. Encouraging the usage of information technology in communicating with stakeholders;

- q. Taking reasonable steps in encouraging the shareholders' participation and voting by poll at general meetings of the Company;
- r. Promoting effective communication and proactive engagements with shareholders;
- s. Undertaking an assessment of the independent directors annually; and
- t. Ensuring the integrity of the Company's financial and non-financial reporting.

## **6.0 NOMINATION AND APPOINTMENT**

### **6.1 Nomination**

The Company should ensure that the Directors and the MD/CEO are of high calibre, sound judgment, high integrity and credibility as they are entrusted by the shareholders to manage and perform effectively.

All nominations of candidates for the positions of Directors and the MD/CEO must be submitted to the NC for consideration. The NC shall base on the "Fit and Proper" standards as detailed hereunder before recommending the candidates to the Board for approval:-

#### Age limit

- In accordance with the Malaysian Companies Act 2016.

#### Work Experience

- 5 years or more preferably in relevant industry.
- Have been in senior management position.
- Good track record of managing a successful and profitable organisation.

#### Qualifications

- Degree, Professional qualification or equivalent or with the requisite years of relevant work experience

#### Personal Background

- A person of good character and high integrity and credibility.
- Not a bankrupt and has never been engaged in deceitful/oppressive/improper business practices.
- Has not been engaged/associated or had conducted himself in a manner which may cast doubt on his fitness, competence and soundness of judgment.
- Has not contravened any provision made by or under any written law to be designed for protecting members of the public against financial loss due to dishonesty, incompetence or malpractice.
- Have not been convicted whether within or outside Malaysia of any offence.

#### Competencies

- Business acumen
- Product knowledge
- Visionary
- Strategic agility
- Proven leadership ability
- Financial knowledge
- Market and global awareness

- Compliance and legal awareness
- IT awareness
- Human Resource Management skills

#### Directorship

- Shall not hold more than 5 directorships in listed companies.

In identifying the candidates for appointment of Directors, the Board shall not solely rely on the recommendations from the existing Board members, senior management or major shareholders and shall utilise independent sources to identify qualified candidates.

Directors should notify the Chairman of the Board before accepting any new directorship, including an indication of time that will be spent on the new appointment.

All nominations of candidates for the positions of Directors and the MD/CEO must be submitted to the NC for consideration.

### **6.2 Re-election**

An election of directors shall take place each year. All directors are subject to retirement by rotation at least once in every three years and are eligible for re-election.

New Board members will only hold office until the next annual general meeting, and will then be eligible for re-election.

### **6.3 Retention/ Re-designation of an independent director with cumulative term of more than nine (9) years**

The tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, an independent director may continue to serve on the Board subject to the director's re-designation as a Non-Executive Director. Otherwise, the Board must justify and seek shareholders' approval in the event that it desires to retain a person who has served in that capacity for more than nine (9) years as an independent director.

Further, the long serving director is required to declare to the Company annually that he complies the criteria as stated in item 4.3 above.

In the event that an Independent Director has served the Company beyond twelve (12) years, the voting process for the resolution on his/her continuance to act as an Independent Director shall be carried out by two-tier voting pursuant to the Malaysian Code on Corporate Governance 2017.

Under the two-tier voting process, shareholders' votes will be casted in the following manners:-

- (a) Tier 1: only the large shareholder of the Company to vote; and
- (b) Tier 2: shareholders other than large shareholders to vote.

The resolution is deemed successful if both Tier 1 and Tier 2 votes support the proposed resolution.

## **7.0 ASSESSMENT AND DEVELOPMENT**

### **7.1 Directors' Assessment / Board Evaluation**

The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and its Committees. The Board reviews and evaluates its own performance and the performance of its Committees on an annual basis.

### **7.2 Directors' Training and Development**

In addition to the mandatory programmes as required by Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board members are encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Company's operation and business.

The Board will assess the training needs of the Directors and ensure Directors have access to continuing education programme. The Board shall disclose in the annual report the trainings attended by the Directors.

## **8.0 BOARD/MANAGEMENT AUTHORITIES**

The Board shall have the authority to approve transactions or activities which are beyond the individual discretionary powers of senior officers or management committees delegated by the Board as per the Approving Authority limits stipulated in the relevant policy manuals of respective operating units subject to the provision of the Constitution of the Company.

## **9.0 BOARD COMMITTEES**

The Board should establish and delegate certain duties to specialised Board Committees to oversee critical or major functional areas and to address matters, which require detailed review or in-depth consideration before tabling its recommendation to the Board.

The Board has established the following Board Committees which operate within their specific terms of reference:-

- a. NC
  - i. To ensure structured oversight process in recruiting, retaining, training and developing to ensure the best composition of the Board.
  - ii. To provide a formal and transparent procedures for the appointment of directors as well as annual assessment of effectiveness of individual

directors, Board Committees and Board as whole and key senior management officers.

- iii. To keep an eye on the need for succession in the boardroom, identify suitability of candidates against considerations such as competencies, commitment, contribution and performance, including the current composition of Board and Board committees, mix of skills and experiences of Directors whilst taking into account the current and future needs of the Company, Boardroom diversity (including gender diversity) and other soft attributes required as Company Directors for Board's consideration and approval.

b. Remuneration Committee

- i. To assist the Board in developing and administering a fair and transparent remuneration policy of Directors and senior Management of the Company to attract, retain and motivate them to drive Company's long term success and growth.
- ii. To review and recommend to the Board on the remuneration of Non-Executive Directors, by taking into account the level of expertise, commitment and responsibilities undertaken.
- iii. To review and recommend to the Board the total individual remuneration package for Executive Directors and senior management including where appropriate bonuses, incentive payments within the terms of the agreed remuneration policy and based on individual performance.

c. Audit Committee

- i. To play a key role in the Company's governance structure and rigorously challenge and ask probing questions relating to risk management and internal controls, financial and accounting records and policies as well as integrity in financial reporting practices and policies of the Company.
- ii. To review and assess the suitability and independence of the External Auditors and Internal Auditors.

Duties and functions of the above-mentioned committees are provided in their respective terms of reference.

## **10.0 BOARD PROCEDURES**

- a. The conduct of directors will be consistent with their duties and responsibilities to the Company and, indirectly, to the shareholders. The Board will always act within any limitations imposed by the provisions of relevant laws and guidelines on its activities;
- b. Directors will use their best endeavours to attend Board meetings. Directors are expected to participate fully, and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board;

- c. Directors who are not able to attend a meeting will advise the chairman at an earlier date as soon as possible and confirm in writing to the Secretary;
- d. Board discussions will be open and constructive, recognising that genuinely held differences of opinion could bring greater clarity and lead to better decisions. The chairman will, nevertheless, seek a consensus of the Board but may, where considered necessary, call for a vote;
- e. 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 law. Subject to legal and regulatory requirements the Board will decide the manner and timing of the publication of its decisions;
- f. Directors are expected to strictly observe confidentiality of the Company's information; and
- g. Directors are required to inform the Board of conflicts or potential conflict of interest that may have in relation to particular items of business or transaction. Subject to provisions of relevant laws and guidelines, these Directors shall abstain from deliberation and determination of those matters.

#### **11.0 AUTHORITY**

The Board shall within its terms of reference:

- a. have complete, adequate and timely information prior to Board meetings and on an ongoing basis;
- b. have the resources required to perform its duties;
- c. have full and unrestricted access to any information pertaining to the Company;
- d. have the authority to form Management / sub-committee(s) if deemed necessary and fit;
- e. have the authority to delegate any of its responsibilities to any person or committee(s) that is deemed fit;
- f. have direct communication channels with employees, senior Management personnel and relevant external parties; and
- g. be able to obtain independent professional or other advice.

#### **12.0 COMPANY SECRETARY**

The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.

The Company Secretary is accountable to the Board through the chairman of the Board and Committees on all governance matters.

The Company Secretary is a central source of information to the Board and its Committees on issues relating to compliance with rules and regulations, procedures and regulations affecting the Company.

The Company Secretary should guide directors of their obligations to adhere to matters relating to:

- Disclosure of interest in securities;
- Disclosure of any conflict of interest in a transaction involving the Company;
- Prohibition on dealing in securities; and
- Restriction on disclosure of price-sensitive information.

The Company Secretary must keep abreast of, and inform, the Board of current governance practices.

The Board members have unlimited access to the professional advice and services of the Company Secretary.

### **13.0 MEETINGS & MINUTES**

Subject to relevant laws and guidelines, the following should be observed by the Board:-

- a. the Board shall meet on a quarterly basis, but in any event, no less than once in every three (3) months, or whenever deemed necessary;
- b. individual directors must attend at least 50% of the Board meetings held in each financial year or such other percentage as may be prescribed by the ACE Market Listing Requirements;
- c. the quorum of the meetings shall be met pursuant to the Constitution of the Company;
- d. the Board is also allowed to carry out the resolution by way of circulation;
- e. the participation of the directors can be facilitated by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting;
- f. all decisions at such meeting shall be decided on a show of hands on a majority of votes. The Chairman shall have a casting vote.
- g. Head of the respective division units, relevant management personnel and external independent advisors may be invited to attend the Board meetings as and when the need arises;

- h. The Secretary or his/her nominee shall minute the proceedings and resolutions, including the names of all attendees. Draft minutes of meetings of the Board shall be circulated promptly to all members of the Board;
- i. Meetings of the Board shall be called by the Secretary of the Board at the request of the Chairman of the Board based on planned calendar dates. Notice of each meeting confirming the venue, time and date, together with an agenda of items and its supporting papers to be discussed, shall be forwarded to each member of the Board, no later than seven (7) days before the date of the meeting; and
- j. Except in the case of an emergency, reasonable notice of every meeting shall be given in writing and the notice of each meeting shall be served to the Board either personally or by fax or e-mail, fax, or by post or by courier to his/her registered address as appearing in the Register of Directors or to the address provided by the Board, as the case may be.

#### **14.0 ANNUAL GENERAL MEETING (“AGM”) AND EXTRAORDINARY GENERAL MEETING (“EGM”)**

- i. The Board regards the general meeting as an important event in the corporate calendar of which all Directors and key senior executives should attend.
- ii. The Company regards the general meeting as the principal forum for dialogue with shareholders and aims to ensure that the general meeting 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 general meeting. To encourage poll voting during the general meeting, the Chairman shall inform shareholders of their right to demand for a poll at the commencement of the meeting.
- iv. The Chairman and, where appropriate, the MD/CEO responds to the shareholders' queries during the meeting. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.

#### **15.0 REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT**

- a. The Company aims to set remuneration at levels which are sufficient to attract and retain the directors and senior management 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 this goal.
- b. The level of remuneration for the Executive Directors and senior management is determined by the Remuneration Committee after giving due consideration to the compensation levels for comparable positions among other similar industry. The remuneration package for Executive Director and senior management is structured on the basis of linking rewards to corporate and individual performance.

- c. For Non-Executive Directors, the fee and allowance payable is determined based on the experience, level of expertise, commitment and responsibilities undertaken by the non-executive directors.
- d. Non-Executive Directors are entitled to participate in the Company's Share Issuance Scheme subject to approval at a general meeting. Non-Executive Directors who participated in the Share Issuance Scheme are prohibited to sell, transfer or assign the shares within one (1) year from the date of offer of such options.
- e. No director other than Executive Directors shall have a service contract with the Company.
- f. The review of the Directors' remuneration will be carried out by the Remuneration Committee on an annual basis for the approval of the Board prior to recommending the same to the shareholders for approval at the annual general meeting of the Company.
- g. A formal independent review of the directors' remuneration is undertaken no less frequently than once every three (3) years.

#### **16.0 DECLARATION OF INTEREST/CONFLICT OF INTEREST**

- a. The Constitution of the Company stipulates that a Director who is in any way, whether directly or indirectly interested in a contract or proposed contract with the Company shall declare his/her interest in accordance with the provisions of the Companies Act 2016. The Director concerned shall not participate in deliberations and shall abstain from voting on any matter arising therefrom.

Should there be an actual, potential or perceived conflict of interest between the Company or a related corporation and a Director or an associate of a Director as a spouse or other family members, the Director involved shall make full disclosure and act honestly in the best interests of the Company.

- b. If a conflict or potential conflict situation exists, it is required that the conflicted Director shall be absent from the meeting whilst the Board discusses the matter and not vote on the matter, unless the other directors who do not have a material personal interest in the matter have passed a resolution that states that those directors are satisfied that the interest should not disqualify the director from being present.
- c. Directors are expected to advise the Company Secretary of any proposed Board or executive appointment to other companies as soon as practicable.

#### **17.0 ACCESS TO INFORMATION AND INDEPENDENT ADVICE**

- a. The Directors shall have access to Management for relevant and additional information or seek explanations, as and when required. At the request of the Board, Management is obliged to supply in a timely manner, all relevant

information to enable director to make sound business judgments and discharge their duties more effectively.

- b. A director of the Company is entitled to seek independent professional advice at the Company's expense on any matter connected with the discharge of their responsibilities. Individual Directors may also obtain independent professional or other advice in furtherance of their duties, subject to approval by the Chairman or the Board, depending on the quantum of the fees involved.

## **18.0 FINANCIAL REPORTING**

### **18.1 Transparency**

- i. The Company aims to present a clear and balanced 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.
- ii. 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
- iii. The Company's practice is to announce to Bursa Securities its quarterly financial results as early as possible within two (2) months after the end of each quarterly financial period.
- iv. The Auditors Report shall contain a statement from the External Auditors explaining their responsibility in forming an independent opinion, based on their audit, of the financial statements.

### **18.2 Company Auditors**

- i. 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 Company Auditors through its Audit Committee.
- ii. The Audit Committee also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company Auditors. The Company ensures that the Company Auditors do not supply a substantial volume of non-audit services to the Company.
- iii. Appointment of the Company Auditors is subject to approval of shareholders at General Meetings. The Company Auditors have to retire during the AGM every year and be re-appointed by shareholders for the ensuing year.

## **19.0 STAKEHOLDERS OF THE COMPANY**

### **19.1 Shareholder**

- i. The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.
- ii. 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 made during the year.
- iii. The Company leverages on information technology for effective dissemination of information. The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

### **19.2 Other Stakeholders**

In the course of pursuing the vision and mission of the Company, the Board recognises that no Company can exist by maximising shareholders value alone. In this regards, the needs and interests of other stakeholders are also taken into consideration.

### **19.3 Employees**

- i. 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.
- ii. The Company has made effort to provide high quality work, health and safety environment to our employees as well as the Group's stakeholders. The Group continues to adhere the industry and healthy policy in order to ensure that a safe and healthy working environment is provided to the employees of the Group at all times.

Opportunities were also given to the Group's employees for attending external and on-the-job training to enhance their skills, knowledge and personality.

### **19.4 Environment**

- i. The Board acknowledges the need to safeguard and minimises the impact to the environment in the course of achieving the Company's vision and mission.
- ii. The Company continues promoting environmentally-conscious work practices in order to reduce environmental impact, enhance energy efficiency and to promote recycling wherever possible. The Group complies with the environmental laws and regulations.

### 19.5 Social Responsibility

- i. The Board acknowledges that the Company should play a vital role in contributing towards the welfare of the community in which it operates.
- ii. The Company maintains its commitment to its policy of satisfying customers by conducting its business with integrity and providing them with quality products.
- iii. The Company makes contribution, and donation and participated in the charity events such as fund raising activities to school and local community associations as well as providing practical trainings for university students during the financial year.

### 20.0 DIVERSITY POLICY

The Board acknowledges the importance of boardroom diversity and the recommendation of the Malaysian Code on Corporate Governance 2017 pertaining to the establishment of a gender diversity policy.

The Company adopts a policy of non-discrimination on the basis of race, age, religion and gender. Thus, the Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company.

### 21.0 STRATEGIES AND POLICIES

The Board oversees the Company's strategies and policies as a whole. This include the directors' Code of Conduct and Ethics, Whistleblowing Policy, Corporate Disclosure Policy, Remuneration Policy and other significant policies recommended under the Malaysian Code on Corporate Governance 2017.

- Directors' Code of Conduct and Ethics (**Appendix A**) promotes ethical values and standard of directors in discharging their duties and responsibilities.
- Whistleblowing Policy (**Appendix B**) sets the appropriate communication channels to facilitate whistleblowing by employees, customers, suppliers and other stakeholders.
- Corporate Disclosure Policy (**Appendix C**) promotes timely, effective and transparent disclosure of material information pertaining to the Company's performance and operations to shareholders, investors and general public.
- Board Diversity Policy (**Appendix D**) encourages a dynamic and diverse composition of the Company.
- Remuneration Policy of Directors and Senior Management (**Appendix E**)

## **22.0 REVIEW OF THE BOARD CHARTER**

The Board will review this Charter from time to time and make any necessary amendments when there are changes to the Malaysian Code on Corporate Governance 2017 and the ACE Market Listing Requirements that may have an effect on the Board's responsibilities.

Any updates to the principles and practices set out in this Charter will be made available on the Company's website.

**SUNZEN BIOTECH BERHAD**  
**(Company No. 680889-W)**

**BOARD CHARTER**

**APPENDIX A**

**CODE OF CONDUCT AND ETHICS**

**1.0 INTRODUCTION**

In line with good corporate governance practices, the Board, Management and Employees of Sunzen Biotech Berhad (“Sunzen” or the “Company”) and its subsidiaries (collectively referred to as the “Group”) have made a commitment to create a corporate culture within the Group to operate the businesses of the Group in an ethical manner and to uphold the highest standards of professionalism and exemplary corporate conduct. This Code of Conduct and Ethics (the “Code”) sets out the principles and standards of business ethics and conduct of the Group.

**2.0 OBJECTIVE**

The objective of the Code is to assist the Directors and the Employees (as defined under Clause 3 of the Code) in defining ethical standards and conduct at work. The Code is not intended to be exhaustive, and there may be additional obligations that the Directors and the Employees are expected to behave or conduct when performing their duties. For all intents and purposes, all the Directors and the Employees shall always observe and ensure compliance with all applicable laws, rules and regulations to which they are bound to observe in the performance of their duties.

**3.0 APPLICABILITY**

The Code is applicable to all employees (including full time, probationary, contract and temporary staff) (“Employees”) and Directors of the Group. Each Employee has a duty to read and understand the Code. Violation of any of the Code’s provisions can result in disciplinary action, including termination of employment. If a Director requires further clarification on the Code, the Director may refer or highlight any concerns to the Chairman, whereas for an Employee, the Employee may refer or highlight any concerns to the immediate superior, Head of Department or the Chief Executive Director.

**4.0 BUSINESS CONDUCT**

**4.1 Dealing with External Parties**

**i. Vendors and Business Partners**

- The Company shall take a collaborative approach in all their partnerships ensuring that employees address the specific needs of the stakeholders, while offering products, services and solutions.
- The Company shall conduct business with vendors or business partners that share the same ethical commitment as the Company, and shall avoid conducting business with vendors or business partners who are likely to harm the Company’s reputation.
- Facts shall be weighed objectively and impartially to decide on vendors or business partners.
- Employees shall not exert or attempt to exert influence to obtain privilege treatment for any particular vendor. Vendors in competition for contracts with the Company shall at all times be able to have confidence in the integrity of the Company’s selection processes.

**ii. Government**

- (a) Employees shall hold themselves up to the highest standards of conduct and aim to proactively engage with the government to improve the social and economic conditions.
- (b) Employees shall be aware of and adhere to the relevant laws and regulations pertaining to relations between government employees and customers, suppliers and business partners.
- (c) Employees shall not provide gifts to government employees or those acting on the government's behalf if doing so violates certain local laws and regulations or could be reasonably construed as an action to seek special favour.

**iii. Investors, Media, Analysts and Others**

- (a) Any Employee approached by investors, prospective investors, media and analysts on confidential information shall refer such requests to Finance Department.
- (b) Employees shall also refer any request for information on the Company's business from investigators or law enforcement officials to the Group Finance Department.
- (c) Employees shall not initiate contract with the media and analysis unless it is part of their job responsibilities, and with prior Management's approval and knowledge. In all instances, employees shall exercise caution in their communication.

**iv. Competitors**

- (a) Employees shall compete fairly and ethically within the framework of applicable competition laws.
- (b) Employees shall exercise caution in all business contracts and contacts with competitors, suppliers and vendors and seek advice from the Group Finance Department if in doubt whether an action violates any competition laws.
- (c) Employees shall disassociate themselves and the Company from participation in any possible illegal activity with competitors and avoid communicating sensitive or confidential information which includes pricing policy, contract terms, marketing and product plans and any other proprietary information.
- (d) Employees shall not use improper or illegal means to acquire a competitor's trade secrets or other confidential information. When working with such information, employees shall use it in the proper context and for legitimate purposes such as to evaluate the merits of the products, services and marketing of the Company. Such information shall only be made available to other employees on a need to know basis.

**4.2 Authority to Make Commitments**

- i. Employees are expected to be aware of and adhere to the Company's defined delegation of authority guidelines and processes for key functions and commitments, limits of authority documents and supplementary procedural documents.
- ii. Commitments that bind the Company shall only be made by Employees who are authorised to do so and in accordance with established limits of authority guidelines. It is not acceptable for Employees to make any business commitments whether oral or written that contradict established guidelines and which create a new agreement or modify an existing agreement without proper approval consistent with the limits of authority guidelines.

**4.3 Money Laundering**

- i. Money laundering is the process of concealing the identity of proceeds from unlawful activities to convert “dirty” money to a legitimate source of income or asset. Money laundering is an offence under the Anti-Money Laundering and Anti-Terrorism Financing Act in Malaysia.
- ii. Employees shall be aware of the applicable anti-money laundering laws and shall seek to ensure they are appropriately and adequately informed of developments in the laws relating to this area.
- iii. Employees are expected to be mindful of the risk of the Company’s business being used for money laundering activities and to raise any suspicious transactions to their immediate superior.

**4.4 Bribes and Corruption**

- i. Employees shall not offer, give, solicit or accept bribes in order to achieve business or personal advantages for themselves or others or engage in any transaction that can be construed as having contravened the anti-corruption laws.
- ii. Employees shall be cognisant of the fact that bribes may be in any form, monetary or otherwise including but are not limited to unauthorized remuneration such as referral fee, commission or other similar compensation, material goods, services, gifts, business amenities, premiums or discounts of an inappropriate value or of an unreasonable level or that are not generally offered to others or that are prohibited by law or may reasonably be viewed as having crossed the boundaries of ethical and lawful business practice.
- iii. Prior to giving or accepting any business amenity or other gifts (in whatever form or value), employees shall assess the appropriateness of their actions by assessing if the action could influence or could reasonably give the appearance of influencing the business relationship of the Company with that organization or individual or any business decision arising out of that business relationship.

**4.5 Gifts, Entertainment and Others**

- i. As a general rule, Employees are discouraged from giving or accepting gifts, entertainment and other benefits to or from business partners. Notwithstanding this, the Company recognises that the occasional acceptance or offer of modest gifts and entertainment may be a legitimate contribution to good business relationships.
- ii. Generally, all invitations to business luncheons or dinners may be given or accepted by the employees. Employees receiving or giving the gifts, entertainment and other benefits is responsible for assessing whether it is appropriate and within the boundaries set out in this Code.
- iii. The following rules and guidelines shall be observed:
  - a. The purpose of the gifts, entertainment and other benefits shall never influence business decision-making processes or cause others to perceive an influence.

## **Appendix A – Code of Conduct and Ethics (Page 4 of 7)**

- b. The situation in which the gifts, entertainment and other benefits is received or given shall not be in connection with contractual negotiations of similar situations.

### **5.0 EMPLOYEE CONDUCT**

#### **5.1 Workplace Environment**

- i. Employees shall strive to maintain a healthy, safe and productive work environment which is free from discrimination or harassment based on race, religion, political opinion, membership in political group, gender, sexual orientation, marital status, national origin, disability, age or other factors that are unrelated to the Company's legitimate business interests.
- ii. Employees shall avoid any conduct in the workplace that creates, encourages or permits an offensive, intimidating or inappropriate work environment including, but not limited to:
  - (a) Threats or comments that contain discriminatory or harassment elements;
  - (b) Unwelcome sexual advances;
  - (c) Violent behaviour or actions;
  - (d) Misuse or abuse of position of authority;
  - (e) Inappropriate dressing in violation of the dress code or policy of the Company;
  - (f) Possession of weapons of any type; or
  - (g) Use, possession, distribution or sale of illegal drugs, alcohol or any prohibited substance, except for approved medical purposes. The consumption of alcoholic beverages on company premises is only permitted for company-sponsored events and with prior management approval.

#### **5.2 Working Attitude**

- i. Employees are expected to be adaptive and optimistic with continued energy and confidence to meet global challenges.
- ii. Employees are encouraged to collaborate across markets, functions and teams towards achieving Sunzen Group's common goal.
- iii. Employees shall support the establishment of centres of excellence and innovation to enable knowledge sharing and the free-flow of ideas across Sunzen Group.
- iv. Employees are expected to behave in a professional and harmonious manner, by treating each other with respect, dignity, fairness and courtesy.

#### **5.3 Protection of Assets and Funds**

The Directors and the Employees must protect the assets and funds of the Group to ensure availability for legitimate business purposes and that no property, information or position belonging to the Group or opportunity arising from these be used for personal gain.

**5.4 Business Records and Data Integrity**

Accurate, timely and reliable records are necessary to meet the Group's legal and financial obligations and to manage the affairs of the Group. All books, records and accounts should conform to generally accepted and applicable accounting principles and to all applicable laws and regulations. The preparation and maintenance of accurate and adequate business records are the responsibility of each Employee. No unauthorised, false, improper or misleading records or entries shall be made in the books and records of the Group, under any circumstances.

**5.5 Confidential Information**

It is pertinent that all the Directors and the Employees exercise caution and due care to safeguard any information of a confidential and sensitive nature relating to the Group which is acquired in the course of their employment, and are strictly prohibited to disclose to any person, unless the disclosure is duly authorized or legally mandated. In the event that a Director or an Employee knows of material information affecting the Group which has not yet been publicly released, the material information must be held in the strictest confidence by the Director or the Employee involved until it is publicly released.

**6.0 CONFLICTS OF INTEREST**

- i. The Directors and the Employees should avoid involving themselves in situations where there is real or apparent conflict of interest between them as individuals and the interest of the Group. The Directors and the Employees must not use their positions or knowledge gained directly or indirectly in the course of their duties or employment for private or personal advantage (directly or indirectly).
- ii. In addition, a Director or an Employee shall avoid any situation in which the Director or the Employee has an interest in any entity or matter that may influence the Director or the Employee's judgment in the discharge of responsibilities.

**6.1 Competing against Sunzen Group**

- i. The Employees shall not engage in activities that have conflict with the business interests, even in their own time, including commercially marketing products or services in competition with the current or potential offerings of the Company.
- ii. The Employees are not allowed to provide any form of assistance to organisations that market products or services in competition with the Company regardless if they receive any direct or indirect remuneration of any kind for the assistance provided. Accordingly, Employees shall not work for the competing organization in any capacity as an employee, consultant or as a member of its board of directors.

**6.2 Supplying to Sunzen Group**

The Employees shall not supply to the Company, represent a supplier, work for a supplier or be a member of the supplier's board of directors during your employment with the Company.

**6.3 Insider Trading**

- i. The Employees who are in the possession of market sensitive information are not allowed to trade in securities of the Company or the shares of another listed company if that information has not been made public. In the context of Malaysian law, insider trading is an offence defined under the Capital Market and Services Act 2007. The laws of other country on insider trading may be applicable in the context of inside information concerning company listed outside of Malaysia.
- ii. Further, the Employees shall not disclose such price sensitive information to any third party or encourage any other person to deal in price-affected securities.
- iii. The Employees must consult their respective Head of Department if unsure of the status of the information held by them.
- iv. The Employees must ensure that all transactions in the Company shares comply with the procedures set out in the Bursa Malaysia Listing Requirements and the law on insider trading.

**6.4 Relative of The Employees**

- i. The Employees shall disclose to the Company if any relative (for this Code, “relative” comprises employee’s spouse, parents, children, brothers, sisters and spouse of child, brother or sister) provides any form of goods or services direct or indirect to the Company, or is a competitor, vendor, business partner, contractor or consultant to the Company. Employees shall avoid or abstain from participating in or making decisions on any deal involving employee’s relative.
- ii. If the Employee’s relative is a competitor or supplier of the Company or is employed by one, employees are expected to exercise extra caution in their communication and conduct to ensure the security and confidentiality of information important to the Company and to avoid and/or create a conflict of interest situation.

**6.5 Personal Financial Interest and Borrowings**

- i. The Employees shall not have a financial interest in any organisation that the Company conduct business with or compete with if that interest results in or appears to present a conflict of interest situation for the employees with the Company. The Employees shall disclose such financial interest to Group Human Resource if it will cause or result in a conflict of interest situation.
- ii. The Employees are prohibited from borrowing from any organization that the Company conduct business with or compete with, unless the organization is a legal financial institution and the loans are granted at rates that are available to the general public. Additionally, employees are also prohibited from borrowing from representatives of any organization that the Company conduct business with compete with, regardless of the nature of business of the organization concerned.

## **Appendix A – Directors’ Code of Conduct and Ethics (Page 7 of 7)**

### **7.0 REPORTING OF VIOLATIONS OF THE CODE**

Any Employee who knows of, or suspects, a violation of the Code, is encouraged to whistle blow or report the concerns through the Whistle Blowing Policy. The provision, protection and procedure of the Whistle Blowing Policy for reporting of the violations of the Code are available on the Sunzen’s website. No individual will be discriminated against or suffer any act of retaliation for reporting in good faith on violations or suspected violations of the Code.

### **8.0 REVIEW OF THE CODE**

The Board will monitor compliance with the Code and review the Code regularly to ensure that it continues to remain relevant and appropriate.

**SUNZEN BIOTECH BERHAD**  
**(Company No. 680889-W)**

**BOARD CHARTER**

**APPENDIX B**

**WHISTLE-BLOWING POLICY**

**Overview**

Whistle-Blowing is a specific means by which any employees, customers or suppliers (“stakeholders”) can report or disclose through established channels, concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place/ has taken place/ may take place in the future; of which they become aware and to provide protection for the party, who report allegations of such malpractice or misconduct.

**Objective**

This Policy is designed to:

- 1) Support the Company’s values;
- 2) Ensure stakeholders can raise concerns without fear of reprisals and safeguard such person’s confidentiality;
- 3) Protect a whistle-blower from reprisal as consequence of making a disclosure;
- 4) Provide a transparent and confidential process for dealing with concerns.

**Principles**

The principles underpinning the Policy are as follows:

- 1) internal procedures to facilitate necessary whistle-blowing, in a timely and responsible manner, are in place and made known to all employees of the company;
- 2) all disclosures will be treated fairly and properly, and addressed in an appropriate and timely manner;
- 3) the Company will not tolerate harassment or victimisation of anyone raising a genuine concern;
- 4) the identity and personal information of the whistle-blower will be protected and kept confidential, unless the individual agrees otherwise or unless otherwise required by law;
- 5) the whistle-blower and the alleged wrongdoer will be treated fairly. The wrongdoer will be informed of the status of his disclosure and the alleged wrongdoer will be given an opportunity to respond to all allegations at an appropriate time (not necessarily at the start, or during, the investigation);
- 6) personal information, including the identity, of the whistle-blower and the alleged wrongdoer shall only be revealed on a ‘need-to-know’ basis; and
- 7) the Company will ensure no one will be at risk of suffering some form of reprisal as a result of raising a concern even if the individual is mistaken. The company, however, does not extend this assurance to someone who maliciously raises a matter he knows is untrue.

## **Appendix B – Whistle Blowing Policy (Page 2 of 3)**

### **Covered Concerns**

A disclosure relating to, but not limited to, either of the following concerns or wrongdoings by any person in the conduct of the business shall be reported:

- 1) corruption, bribery and fraud;
- 2) criminal offence or breach of the laws of Malaysia;
- 3) acceptance of gifts/ favour beyond the threshold allowed by the company;
- 4) misuse and/or misappropriation of the Company's funds or assets;
- 5) impropriety (including financial and operational, etc.) within the Company;
- 6) gross mismanagement within the Company (including serious potential breach to the interest of society and environment);
- 7) breach of code of ethics of the Company, including sexual, physical or other abuse of human rights; and
- 8) act or omission jeopardising the health and safety of the Company's employees or the public.

### **Reporting Procedure**

If any stakeholder believes reasonably and in good faith that malpractices exist in the Company, the stakeholder should report this immediately to the head-of-department.

However, if for any reason the stakeholder is reluctant to do so, then the stakeholder should report the concerns to the Audit Committee Chairman.

Employees concerned about speaking to another member of staff can communicate, in confidence, to the Audit Committee Chairman by emailing his or her concern to the Audit Committee Chairman. Any anonymous disclosure will not be entertained. However, the Audit Committee Chairman reserves his/her right to investigate into any anonymous disclosure.

These concerns will be managed by the Audit Committee Chairman and he/she shall have the right to decide whether to inform the Senior Management or the Board or Directors or relevant enforcement authority(ies) (if the Audit Committee Chairman concluded that such incidents to be reported, based on the facts gathered), depending on the seriousness of the reported incident(s) and on need-to-know basis, without revealing the identity of the whistle-blower. The Audit Committee Chairman, at the cost to be borne by the Company, shall have the right and authority(ies) to decide on the next course of actions with the advice of the external professionals or experts, if required.

Whistle-blowers' identity will not be disclosed without prior consent. Where concerns cannot be resolved without revealing the identity of the whistle-blower raising the concern (i.e. if the evidence is required in court), a dialogue will be carried out with the whistle-blower concerned as to whether and how the matter can progress further.

## **Appendix B – Whistle Blowing Policy (Page 3 of 3)**

### **Consequences of Wrongdoing or Wrongful Disclosure**

If the Person (i.e. the whistle-blower) has, or is found to have:

- committed a wrongdoing;
- taken serious risks which would likely cause a wrongdoing to be committed;
- made a disclosure not in accordance with the requirements of this policy (for instance, dishonest, mischievous or malicious complaints); or
- participated or assisted in any process pursuant to this policy otherwise than in good faith,

the corrective actions to be taken against that Person will be determined by the Audit Committee Chairman and the Managing Director or the Senior Management, which may include, disciplinary measures, formal warning or reprimand, demotion, suspension or termination of employment or services or monetary or other forms of punishment.

Any attempt to retaliate, victimise or intimidate against anyone (whistle-blower) making report in good faith is a serious violation of the Policy and shall be dealt with serious disciplinary actions and procedures.

### **Protection**

The identity and personal information of the whistle-blower will be protected and kept confidential, unless the whistle-blower agrees otherwise or unless otherwise required by law.

The whistle-blower will be protected from reprisal, including any form of harassment and victimisation, as a consequence of his disclosure.

If a whistle-blower reasonably believes that he is being subjected to reprisal, including harassment and victimisation, as a consequence of whistle-blowing, he may consult or report to the Audit Committee Chairman.

### **Administration**

This Policy is administered by the Audit Committee with the assistance of Senior Management and overseen by the Board.

Contact person: Mr Khoo Kien Hoe  
Audit Committee Chairman  
(Email: bizaid08@gmail.com)

**SUNZEN BIOTECH BERHAD**  
**(Company No. 680889-W)**

**BOARD CHARTER**

**APPENDIX C**

**CORPORATE DISCLOSURE POLICY**

**1. INTRODUCTION**

The Board is committed to provide effective communication to its shareholders and general public.

**2. OBJECTIVES**

The objectives of the Disclosure Policy are as follows:-

- (i) To raise awareness and provide guidance to the Board, Management, officers and employees on the Company's disclosure requirements and practices;
- (ii) To provide guidelines and policies to disseminate corporate information;
- (iii) To ensure compliance with all applicable legal and regulatory requirements on disclosure of material information; and
- (iv) To build good investor relations with the investing public that inspires trust and confidence.

**3. APPLICATION OF THE POLICY**

This Policy applies to all directors, officers, employees, consultants and contractors of the Company and its subsidiaries.

**4. COMMUNICATION OF DISCLOSURE POLICY**

This Policy will be circulated and made available to all present and new directors, officers, employees, consultants and contractors of the Company and its subsidiaries.

A revised version of this Policy will be distributed whenever significant changes are made.

**5. ADMINISTRATIVE RESPONSIBILITY**

Directors should maintain the confidentiality of information entrusted to them by the Group and any other confidential information about the Group that comes to them except when disclosure is authorised by the Board or required to do so by law or regulatory body.

**6. SCOPE**

This Policy sets out when disclosure is required by the Company.

**6.1 Immediate Disclosure of Material Information**

- (a) The Company must announce immediately any material information (i.e. reasonably expected to have an effect on price, value or market activity of the share or investment decision).
- (b) The Company must announce immediately the occurrence of events prescribed under the ACE Market Listing Requirements.
- (c) The Company must announce immediately transactions which trigger the prescribed materiality threshold.
- (d) The Company must announce its quarterly financial statements and annual reports.

**6.2 Contents of Announcements and Circulars**

- (a) The Company must emphasise substance over form when disclosing announcement or circulars.
- (b) The Company aims to ensuring the investing public has a good understanding of information disclosed.
- (c) The Company must disclose the total consideration together with the basis and justification for the consideration.
- (d) The Company must disclose the contribution to group's net profit in a disposal transaction including the intended application of sale proceeds.
- (e) Contents in circulars must be factual, clear and not lengthy to facilitate easy understanding.

**6.3 Maintaining Confidentiality of Information**

- (a) The Company will withhold or delay disclosure of material information temporarily where disclosure would prejudice the ability of the Company to pursue its corporate objectives.
- (b) If material information is being withheld the Company must ensure that confidentiality is maintained to minimise information leakage.
- (c) Persons involved in the confidential transactions or in possession of price sensitive information shall ensure strict confidentiality.
- (d) If confidentiality of information is lost the Company must undertake an enquiry to ascertain the leakage and take appropriate steps to announce to Bursa Securities.

**6.4 Clarification, Confirmation or Denial of Rumours or Reports**

Whenever the Company becomes aware of a rumour or report, it should ascertain whether it contains undisclosed material information and make an announcement to Bursa Securities to deny or clarify the matter, and provide sufficient supporting information in accordance with the ACE Market Listing Requirements.

The Company must not make evasive announcement that do not clarify, confirm or deny a rumours or report.

**6.5 Unusual Market Activity**

Where there is unusual trading activity or price movement in the Company's shares, the Company must upon query from Bursa Securities undertakes due enquiry to determine the cause and issue a clarifying announcement.

## **6.6 Equal Access to Material Information**

The Company can provide any information to journalist, analysts and fund managers as long as it does not include any undisclosed material information.

The Company must immediately announce to Bursa Securities any non-public material information which has been inadvertently disclosed when responding to question from journalists, analysts or fund managers.

The Company will disseminate information through its website to shareholders and to enhance investor relations including email address, name of designated person, contact numbers to enable public to forward queries.

## **7. OTHER DISCLOSURE**

### **7.1 Profit Guidance**

Where there is material improvement or deterioration in the Company's financial results, the Company will assess the impact and immediately provide a profit guidance statement on the likely impact.

### **7.2 Fraud/Financial Irregularity**

Where there is a fraud or financial irregularity taking place, the Company will immediately assess the materiality and immediately announce if it is material including the financial and operational impact and steps taken to address it.

### **7.3 Announcement By External Parties/Authorities**

The Company will immediately announce to Bursa Securities any announcement by a government ministry or agency regarding a government policy which is material to the Company including the business and financial impact.

### **7.4 Disclosing Purpose and Utilisation of a General Mandate**

The Company may procure a general mandate from its shareholders at a general meeting to issue shares in accordance with the Companies Act 2016 and the requirements under the ACE Market Listing Requirements.

### **7.5 Quality of Financial Disclosure and Timely Disclosure**

The Board is responsible for the preparation of timely and reliable financial statements and represents a true and fair view of the statement of affair of the Company.

To facilitate easy reference, the Company discloses in its annual report, financial highlight of major items including disclosure in its notes to the quarterly report, a detailed analysis of the performance of all operating segments of the Group and details of major components in the statement of cash flows.

**8. OBTAINING FEEDBACK**

The Company has developed various channels via email, mail or telephone for shareholders and major stakeholders to provide their comments and feedback in relation to Company's operational, performance, governance and strategic matters.

The Company will consider the relevant comments and feedback received in establishing its corporate strategy.

**9. REVIEW**

The Board will review this Policy periodically to ensure that it remains consistent with the Board's objectives and responsibilities.

**SUNZEN BIOTECH BERHAD**  
**(Company No. 680889-W)**

**BOARD CHARTER**

**APPENDIX D**

**DIVERSITY POLICY**

**Introduction**

This Policy pursues to record, more formally, the Company's policy on Board and workplace diversity and to recognise the recommendation of the Malaysian Code on Corporate Governance 2017.

**Principles and Objectives**

The Group strictly adheres to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, which includes the selection of Board members and senior management. The Board encourages a dynamic and diverse composition of members and workplace by nurturing suitable and potential candidates equipped with competency, skills, experience, good character, time commitment, integrity and other qualities in meeting the future needs of the Company.

The objectives of this Policy are to have a Board and Senior Management which:

- is characterised by a broad range of viewpoints rather than just diversity in skills and experience; diversity in viewpoints would exist if there are diversity in gender, nationality, age, culture and socio-economic backgrounds; and
- has sustainable development as its core value, thus promoting the interests of all our stakeholders, particularly the long term interests of our shareholders, fairly and effectively.

**Scope**

The Board considers that the concept of diversity incorporates a number of different aspects, such as professional experiences, business experiences, skills, knowledge, gender, age, ethnicity and educational background.

**(a) Board Mix**

The Board shall include a balanced composition of Executive Directors, Non-Executive Directors and Independent Non-Executive Directors ("INED") to promote a strong element of independences in the Board. The INEDs shall be of sufficient calibre and standing, for their views to carry weight.

**(b) Skills and Experience**

The Board and Senior Management shall possess a balance of appropriate skills for the requirements of the business of the Company. The Directors shall have a mix of financial, legal, management and other backgrounds which when working in synergy, could provide the Company with considerable experience in a wide range of activities.

## **Appendix D – Diversity Policy – Page 2 of 3**

### (c) Gender

The Board takes cognisance of the recommendation of the Malaysian Government to have at least 30% women as decision makers in corporate sector. The Company shall endeavour to increase female representation on the Board if there are appropriate candidates available when Board vacancies arise.

Nonetheless, the Company shall at any point of time to have at least one female representation on the Board.

### (d) Ethnicity/Nationality

The Company aspires to have a Board and Senior Management of different nationality or ethnic backgrounds who can contribute their knowledge and understanding of the business, industry and environment.

### (e) Age

The Board is fully committed to promote age diversity, valuing the contribution of its members and Senior Management regardless of age, and seeks to eliminate age stereotyping and discrimination.

## **Measurable Objectives**

This Diversity Policy framework for the Group is aimed towards achieving the following objectives:

1. Selection of candidates will be based on a range of diversity perspectives, including but not limited to, professional experiences, business experiences, skills, knowledge, gender, age, ethnicity and educational background. The ultimate decision will be based on merit and contributions that the selected candidates will bring to the Board and Management. The Board's composition (including gender, ethnicity and age) will be disclosed in the Annual Report annually.
2. The Board acknowledges the importance of promoting gender diversity. Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board and workplace remains a priority.

## **Monitoring and Reporting**

1. Pursuant to the Term of Reference of the Nomination Committee ("NC"), NC is (among other things) responsible for:
  - reviewing, recommending and considering candidates to the Board and committees of the Board;
  - assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Directors on an on-going basis; and
  - assessing the balance of the Board membership and determining the core competencies and skills required for the Board.

**Appendix D – Diversity Policy – Page 3 of 3**

2. The NC shall report to the Board on:

- initiatives undertaken by the Board in relation to board Diversity and to achieve the Measurable Objectives;
- progress in achieving the Measurable Objectives; and
- recommendations regarding Measurable Objectives.

3. The Board shall, at least annually, assess:

- Measurable Objectives; and
- the progress in achieving the Measurable Objectives.

The Board will ensure that appropriate disclosures are made in the Annual Report regarding Board Diversity.

**SUNZEN BIOTECH BERHAD**  
**(Company No. 680889-W)**

**BOARD CHARTER**

**APPENDIX E**

**REMUNERATION POLICY**

**1. LEVEL AND MAKE-UP OF REMUNERATION**

The Group has adopted the objective as recommended by the Malaysia Code on Corporate Governance to determine the remuneration of the Directors and Senior Management so as to ensure that the Company attracts and retains the Directors and Senior Management needed to drive the strategy, objectives, values and long term interest of the Group. This policy and procedures aim to ensure that members of the Board and key Senior Management are rewarded fairly for their respective individual contributions to the Group. The component parts of their remuneration structured so as to link rewards to corporate and individual performance in the case of Executive Director and Senior Management. In the case of Non-Executive Directors, the level of remuneration reflect the level of responsibilities undertaken by the individual Non-Executive Director concerned.

**2. POLICIES AND PROCEDURES**

The Remuneration Committee is responsible for recommending to the Board the policy framework on terms of employment and all elements of the Directors' remuneration and remuneration package for the Executive Director and Senior Management to ensure the same remain competitive, appropriate and in alignment with the prevalent market practices and that the Company attracts, retains, motivates, the Directors and Senior Management who are strong credentials, high calibre and astute insights to run the business of the Group successfully.

The Remuneration Committee is authorised to review and recommend the annual bonus and salary increment of the Executive Director and Senior Management of the Company. Directors' Remuneration is decided by the Board with the Director concerned abstaining from deliberations and voting accordingly. The Remuneration Committee may receive advice from external consultants, if required. It is nevertheless, the ultimate responsibility of the Board to approve the remuneration of these Directors and Senior Management.

**3. THE REMUNERATION COMMITTEE SHALL:**

- i) Ensure that Director, whether executive or non-executive, should abstain from discussion and from participating in decision of their remuneration packages.
- ii) Recommend and advise the Board the remuneration and terms of conditions (and where appropriate, severance payments) of Executive Director and Senior Management.

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- iii) Recommend to the Board the level, composition and periodic review of Directors' Remuneration.
- iv) Seek comparative information on remuneration and conditions of service in comparable organisations and market practice.
- v) when considering severance payments, bear in mind that it must represent the public interest and avoid any inappropriate use of public funds. Care should be taken to avoid determining a severance package that public might deem to be excessive.
- vi) Consider that the determination of the remuneration packages of Non-Executive Director (whether in addition to or in lieu of their fees as directors) is a matter for the Board as a whole.
- vii) Review and recommend to the Board of any extra remuneration to be paid to any Directors who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside his ordinary duties as a Director of the Company.
- viii) Ensure that fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice concerning the meeting.
- ix) Provide the Board with the opportunity to review, prior to implementation, the composition of any management incentive scheme.
- x) Provide the Board with the opportunity, to review, prior to implementation, the nature, composition and eligibility for any Share Issuance Scheme.
- xi) Carry out other responsibilities, functions or assignments as may defined by the Board from time to time.

### **4. DIRECTORS' REMUNERATION PACKAGE**

The remuneration package of the Directors is as follows:

#### **i) Basic Salary**

The basic salary for the Executive Director is recommended by the Remuneration Committee, taking into account the individual performance, the consumer price index and information from independent sources on the rates of salary for similar positions in other comparable companies. The salary is reviewed annually. The salary payable pursuant to a contract of service need not be determined by the Company in general meeting but such salary and emoluments may not include a commission on or percentage of turnover of the Company.

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### **ii) Fees**

The Directors shall be paid by way of fees for their services, such fixed sums (if any) as shall from time to time be determined by an ordinary resolution of the Company in general meeting and shall (unless such resolution otherwise provide) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office.

The fees payable to Non-Executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

The annual directors' fees payable to the Director and meeting attendance allowance and benefits-in-kind payable to Non-Executive Directors are presented to the shareholders at the Annual General Meeting for their approvals.

### **iii) Bonus Scheme**

The Group operates a bonus scheme for all employees, including the Executive Director. The criteria for the scheme is dependent on the level of profits achieved from certain aspects of the Group's business activities as measured against targets, together with an assessment of each individual's performance during the period. Bonuses payable to the Executive Director are reviewed by the Remuneration Committee and approved by the Board.

### **iv) Benefits-in-kind**

Other customary benefits (such as private medical cover, car, etc) are made available to Directors as appropriate.

### **v) Pension Arrangements**

The Executive Director contributes to the Employees Provident Fund, which is the national mandatory contribution plan.

### **vii) Service Contract**

The contract of service for Managing Director and Executive Director is reviewed and recommended by the Remuneration Committee to the Board for approval.

## **5. SENIOR MANAGEMENT'S REMUNERATION PACKAGE**

The remuneration component of the Senior Management shall consist of basic salary, Bonus scheme, benefits-in-kind and other incentives (where applicable). The remuneration of key senior management is determined at a level which enables the Company to attract, develop, and retain high performing and talented individual with the relevant experiences, level of expertise, level of responsibilities and is structured so as to link reward to individual and corporate performance.

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The Senior Management shall refer to those individual(s) who generally holds the highest level of management responsibility and decision making authority within the Group. This will typically include the persons who primarily responsible for the business operation of the Group's core business and principal subsidiaries and any other persons whom the Directors shall consider as being the key senior management.

The performance of the Senior Management who report to the Managing Director cum Chief Executive Officer are evaluated annually by the Managing Director cum Chief Executive Officer against the key performance indicators set in order to determine the recommendation on their remuneration levels.

This Remuneration Policy of Directors and Senior Management is adopted by the Board on 28 February 2019.