

# **BOARD CHARTER**

## **HEXTAR HEALTHCARE BERHAD**

(199601000297) (372642-U)

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**1. INTRODUCTION**

- 1.1 The Board of Directors (“Board”) of Hextar Healthcare Berhad (“HHB” or the “Company”) commits to instill good corporate governance practices in the Company and its subsidiaries (“Group”) in accordance with the principles set out in the Malaysian Code on Corporate Governance (“MCCG”). 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.

**2. PURPOSE**

- 2.1 The objective of this Board Charter is to ensure that all Board members are fully aware of their fiduciary duties and responsibilities as Board members and the various regulations that may have an effect on the Board’s responsibilities.
- 2.2 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.
- 2.3 The guiding principles of this Board Charter include the following:-
- (i) Companies Act 2016 (the “Act”);
  - (ii) Company’s Constitution;
  - (iii) Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”);
  - (iv) MCCG; and
  - (v) Any other applicable laws or regulatory requirements.

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2.4 In the event of a conflict between the Constitution and this Board Charter, the provisions of the former shall have precedence subject to compliance with the legislation and regulatory requirements.

**3. BOARD STRUCTURE**

**3.1 Authority**

The Board's roles and responsibilities are governed by the Constitution of the Company and also in accordance with the Act, Listing Requirements of Bursa Securities, the MCGG, the Capital Markets and Services Act 2007 and any other prevailing regulatory corporate governance practices and laws or regulatory requirements.

**3.2 Board Composition**

3.2.1 The Board must consist of qualified individuals with diverse set of skills, diversity, qualifications, expertise and experience from different background that are relevant to the management of the Group's businesses.

3.2.2 Pursuant to the Constitution of the Company, the number of Directors (excluding Alternate Director) shall not be less than two (2) Directors nor more than twelve (12) Directors.

3.2.3 In accordance with the Listing Requirements of Bursa Securities, the Company must ensure that at least two (2) or one-third (1/3), whichever is higher, of the Board members must be Independent Directors and at least one (1) Director is a woman. If the number of Directors is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) must be used.

3.2.4 In the event of any vacancy in the Board of Directors, resulting in non-compliance with Paragraph 3.2.3 above, the Company must fill the vacancy within three (3) months from the occurrence of the event.

3.2.5 The Chairman of the Board shall not be a member of the Audit Committee ("AC") and Nomination and Remuneration Committee ("NRC").

3.2.6 On boardroom diversity, the Board is supportive of the gender diversity in the boardroom. The Board will, through the NRC, continuously review the proportion of the female to male board members during the annual assessment of the Directors' performance taking into consideration the appropriate skills, experience, characters, integrity, competence and time required in the context of the needs of the Group.

3.2.7 In reviewing the Board composition and size, the Board, with assistance of the NRC, will also take into consideration all aspects of diversity

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

**3.3 Appointments**

- 3.3.1 The appointment of a new Director is a matter for consideration and decision by the Board, upon recommendation from the NRC whose primary responsibilities are to evaluate, assess and recommend candidates for Board approval.
- 3.3.2 In making its recommendation, the NRC 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.
- 3.3.3 Prior to his/her appointment, the potential new Director will be briefed on the Company's vision and mission, philosophy, nature of business, corporate strategy and the expectations of the Company concerning input from Directors.
- 3.3.4 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 they have sufficient time to attend the Company's meetings or matters before accepting his appointment to the Board.
- 3.3.5 The Board does not solely rely on recommendations from existing Board members, management or major shareholders for identifying candidates for appointment of Directors. The Board will also utilise independent sources to identify suitably qualified candidates.
- 3.3.6 No person shall be appointed, elected or re-elected as a Director on the Board or continue to serve as a Director if the person is or becomes an active politician. A person is considered an "active politician" if he is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.

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**3.4 Tenure of Directors**

- 3.4.1 Pursuant to the Company's Constitution, 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.
- 3.4.2 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.
- 3.4.3 All newly appointed Directors shall hold office until the next AGM and shall then be eligible for re-election pursuant to the Company's Constitution.
- 3.4.4 The tenure of an Independent Director shall not exceed a cumulative term limit of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board as a Non-Independent Director.

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

**3.5 Directors' Fit and Proper Policy**

- 3.5.1 The Board has established a Directors' Fit and Proper Policy ("Policy") for the appointment and re-election of Directors of the Group, to ensure that each of its Directors has the necessary quality, integrity, character, experience, competence, time and commitment to effectively discharge his/her role as a Director.
- 3.5.2 In conducting the fit and proper assessment, the Board through its NRC shall consider the following criteria as outlined in the Policy:-
- (a) Character and Integrity;
  - (b) Experience and Competence; and
  - (c) Time and Commitment.
- 3.5.3 Any candidate who has been identified for appointment as a Director or for re-election as a Director of the Company shall be required to make a declaration in the Directors' Declaration of Fit and Proper Assessment Form as prescribed by the NRC, prior to the initial appointment or proposed re-election as a Director.

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3.5.4 The Fit and Proper Policy is made available on the Company's website.

**3.6 New Directorship**

3.6.1 A Director may accept appointments to other boards, provided that such appointments do not result in conflict of interest with the Group and does not detrimentally affect the Director's performance as a Board member. The Director shall notify the Chairman before accepting any new directorship in other public listed company and indicate the time expected to be spent on the new appointment as Director.

3.6.2 Pursuant to Paragraph 15.06 of the Listing Requirements, the Directors must not hold more than five (5) directorships in the listed companies on Bursa Securities.

**3.7 Disqualification or Vacation of Office**

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 below:-
- (i) 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;
  - (ii) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence involving bribery, fraud or dishonesty or

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where the conviction involved a finding that he acted fraudulently or dishonestly; or

- (iii) 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.

**3.8 Board Independence**

- 3.8.1 An Independent Director must be 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, and has not been within the last three (3) years, an officer of the Company or any related corporation of the Company (each corporation is referred to as "said Corporation"). For this purpose, "officer" has the meaning given in section 2 of the Act but excludes a director who has served as an Independent Director in any one or more of the said Corporations for a cumulative period of less than 12 years;
- (b) is not a major shareholder of the said Corporation;
- (c) is not a family member of any executive director, officer or major shareholder of the said Corporation;
- (d) is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
- (e) 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;
- (f) 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



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Corporation under such circumstances as prescribed by Bursa Securities; or

- (g) has not served as an independent director in any one or more of the said Corporations for a cumulative period of more than twelve (12) years from the date of his first appointment as an Independent Director.

3.8.2 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 after taking into account the interests of the shareholders and other stakeholders such as the employees and business associates.

3.8.3 The NRC reviews the independence of each Independent Director annually or whenever necessary, in light of information relevant to this assessment as disclosed by each Independent Director to the Board.

#### **4. ROLES AND RESPONSIBILITIES**

##### **4.1 The Board**

4.1.1 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 senior 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) establishing an effective risk management and internal control framework which includes identifying the principal risks and ensuring the implementation of appropriate internal controls and mitigation measures to achieve a proper balance between risks incurred and potential returns to the shareholders;

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- (f) reviewing the information and risk management and internal control system and the effectiveness of the management;
- (g) setting 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;
- (h) ensure Senior Management has the necessary skills and experience, and there are measures for orderly succession planning for the Board and Senior Management, and to ensure that there are appropriate policies for training, appointment and performance monitoring of Senior Management;
- (i) developing and implementing an investor relations programme or shareholders' communications policy for the Group to enable effective communication with stakeholders;
- (j) ensure that all its directors are able to understand financial statements and form a view on the information presented;
- (k) reviewing and approving the reports of the AC and NRC at the end of each financial year; and
- (l) ensuring the integrity of the Company's financial and non-financial reporting

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

- (a) appointment of Chairman of the Board, independent director, managing director, chief executive officer, chief financial officer and Company secretary;
- (b) remuneration and terms and conditions of service of the managing director and senior management;
- (c) remuneration and performance-based policies of the Company;
- (d) strategic issues and planning, including sustainability;
- (e) company's annual business plan, budget and performance reviews;
- (f) quarterly financial results and audited financial statements;
- (g) risk management framework and internal control policies and procedures for the Company;

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- (h) dividend policy and declaration of dividends;
- (i) specific items of capital expenditure and investments and divestments above certain financial threshold;
- (j) material borrowings;
- (k) treasury policies;
- (l) key human resources issues;
- (m) material acquisitions and disposals of undertakings and properties;
- (n) proposed appointment of external auditors and their audit fees;
- (o) appointment of the internal auditor and the annual internal audit plan;
- (p) determine membership and approve the terms of reference of Board Committees and monitor the effectiveness of the Company's corporate governance practices;
- (q) related party transactions ("RPT"), recurrent RPT and conflict of interest and any other transaction, procedures or course of conduct that raises question on management integrity and any recommendations relating thereto as set out in the Terms of Reference of the AC;
- (r) new venture(s);
- (s) company policies which may be developed from time to time;
- (t) any significant changes to accounting policies; and
- (u) any matters or transactions that fall within the ambit of the Board pursuant to the Act, Listing Requirements of Bursa Securities, the Company's Constitution or any other applicable laws and regulations.

**4.2 Chairman**

- 4.2.1 The roles and responsibilities of the Chairman and the Managing Director are clearly defined and segregated to ensure a balance of power and authority.
- 4.2.2 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.

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4.2.3 The Chairman is responsible for ensuring Board effectiveness and promoting the highest standards of integrity, probity and corporate governance throughout the Group.

4.2.4 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.

**4.3 Managing Director**

4.3.1 Managing Director 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.

4.3.2 The Managing Director is appointed by the Board upon recommendation of the NRC.

4.3.3 Generally, the Managing Director 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;

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- (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.

**4.4 Executive Directors**

- 4.4.1 Executive Directors are the senior management of the Company who involved in the day-to-day management of the Group.
- 4.4.2 Executive Directors assist the Board in decision-making process through their expertise and knowledge of the business and its industry.
- 4.4.3 Executive Directors, with the help of management, assist the Board in facilitating the orientation of new Directors and Director training and development.

**4.5 Non-Executive Directors**

- 4.5.1 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

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- those who are not employees of the Company but are standing as nominees for substantial shareholders.

4.5.2 Non-Executive Directors need to be sound in judgement and to have an inquiring mind.

4.5.3 Non-Executive Directors should question intelligently, debate constructively, challenge rigorously and decide dispassionately.

4.5.4 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.

4.5.5 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.

**4.6 Independent Non-Executive Directors**

4.6.1 The roles of an Independent Non-Executive Director, amongst others, are as follows:-

- (a) provide objective and independent judgement on issues;
- (b) to ensure that the interests of the Company, shareholders and stakeholders are well taken into account;
- (c) mitigate any potential conflict of interest that may arise in the governance of the Group;
- (d) monitor the areas of discussion, notably those where potential conflicts of interest may arise; and
- (e) provide a check and balance to the Board.

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- 4.6.2 An Independent Director must immediately disclose to the Board in the event of any change in his/her circumstances that may affect his/her objectivity and/or status as an Independent Director. In such case, the Board must review the Director's designation as an Independent Director.

**4.7 Senior Management**

Senior Management's role and responsibilities include the following:-

- (a) Together with the Managing Director and Executive Director, formulate the corporate strategy for the Board's approval. Once approved, implement it accordingly;
- (b) Assume day-to-day responsibility for the Company's conformance with relevant laws and regulations and its compliance framework;
- (c) Achieve the performance targets set by the Board;
- (d) Formulate, implement and update the Group's standard operating policies and procedures;
- (e) Be alert to relevant trends in the Group's industries and operating environment;
- (f) Drive strategic management of material sustainability matters;
- (g) Develop, implement and manage the Group's risk management and internal control frameworks; and
- (h) Provide accurate, timely and clear information to the Board to enable the Board to effectively perform its responsibilities.

**5. BOARD COMMITTEES**

The Board has established two (2) Board Committees, namely, AC and NRC with different functions delegated to assist the Board in carrying out its duties and responsibilities.

The Board Committees operate under their owned defined Terms of Reference and are authorised by the Board to deal with and deliberate on matters delegated to them within their Terms of Reference.

The Chairman of the respective Board Committee shall report to the Board on the outcome of the Board Committee meetings and update the Board on significant issues and concerns discussed and where appropriate, make the necessary recommendation to the Board.

The Board is collectively responsible for any decision taken by any Board Committee. A Board Committee may only perform the tasks delegated to it by the

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Board and should not exceed the authority conferred on it by the Board. Decisions which by law should be made by the Board shall not be delegated to a Board Committee.

No Alternate Director can be appointed as a member of Board Committees. All Board Committees shall be established in accordance with the Listing Requirements.

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.

**6. BOARD MEETINGS**

**6.1 Frequency**

The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Directors' meetings are held on scheduled dates at least four (4) times for each financial year.

**6.2 Notice and Agenda**

The notice of Board Meeting, detail agenda and the supporting Board Papers should be furnished to the Directors at least five (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.

**6.3 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).

**6.4 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.

**6.5 Report from Board Committees**

The Chairman of the AC and NRC would report to the Board at Board meeting of any salient matters noted by the Committee and which require the Board's notice, direction or approval.



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**6.6 Attendance**

- (1) All Directors must meet the minimum 50% attendance requirement imposed by the Listing Requirements of Bursa Securities.
- (2) Senior Management who are not Directors and external advisers may be invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda.

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

**6.8 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.

**6.9 Voting**

All resolutions of the Board shall be approved 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.

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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.

**6.10 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.

**7. REMUNERATION OF DIRECTORS**

7.1 The Board has established a formal and transparent process for approving the remuneration of Directors, whereby the NRC is responsible for reviewing the remuneration policy and making recommendations on the same to the Board for approval. In its review, the NRC considers various factors including roles and responsibilities, experience, knowledge, special qualification, skills, contributions and commitment of the individual Director and the performance of the Group as a whole.

7.2 The level and make-up of remuneration should be effective and sufficient enough to:-

- (1) attract and retain the Directors needed to run the Group successfully; and
- (2) motivating and creating incentives for Directors to perform at their best.

7.3 Executive Directors will receive no fees but will be paid as full-time employees of the Company. The level of remuneration of the Executive Directors takes into consideration the Directors' experience, responsibilities, qualifications, level of skills, contribution and commitment to the Group, the performance of the Group and the compensation levels for comparable positions among other similar Malaysian public listed companies in the same industry.

7.4 In the case of Non-Executive Directors, the level of remuneration should reflect the experience, contribution and level of responsibilities undertaken by the particular Non-Executive Director concerned.

7.5 Non-Executive Directors will be paid a fixed basic fee as ordinary remuneration, a sum based on their responsibilities in Board Committees and allowances for their attendances at the meetings. The fee and allowance are subject to the approval of the shareholders at the General Meeting of the Company.

7.6 No Board member, whether executive or non-executive, will be involved in deciding his own remuneration. Directors who are shareholders and controlling shareholders with a nominee or connected director on the Board should also abstain from voting on the resolution to approve Directors' fees at the general meeting.

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7.7 The remuneration of all Directors will be disclosed in the Annual Report of the Company in accordance with the Listing Requirements of Bursa Securities.

**8. INDUCTION AND TRAINING FOR BOARD MEMBERS**

All newly appointed Director is required to undergo the Mandatory Accreditation Programme (“MAP”) Part I within four (4) months of being appointed as required under the Listing Requirements of Bursa Securities and MAP Part II within 18 months from the date of appointment, if he/she is appointed for the first time as Director of a listed company.

Each newly appointed Director is expected to participate in an induction program on appointment and undertake ongoing education and training to maintain the skills and knowledge required to perform his/her role effectively.

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 NRC, 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.

**9. INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION**

9.1 The Board shall place great importance in ensuring the high standards of transparency and accountability in its communication to shareholders, analysts and the public. The shareholders shall be informed of all material matters affecting the Company and Group.

9.2 The channels of communication, amongst others, are as follows:-

- (a) Company's annual report, disclosures and announcements made to Bursa Securities, analyst briefings, press statements and other public communications, notices of meetings and explanatory documents issued to shareholders as the case may be;
- (b) conducts formal and informal dialogues between senior management and analysts or fund managers throughout the year that enables the Board and Management to convey information relating to the Group's performance, corporate strategy and other matters affecting shareholders' interests;
- (c) encourage participation of shareholders at the AGM to ensure a high level of accountability and discussion of the Company's

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strategy and goals. The Company shall invite the external auditors to attend the AGM and answer shareholders' questions about the conduct of the audit and the preparation of the auditor's report; and

- (d) shareholders can gain access to information about the Company including the summary of the Group's investor relation activities and press releases through the Company's website.

9.3 The AGM and Extraordinary General Meeting (collectively "General Meetings") of the Company, are the principal forum for dialogue with shareholders for effective communications with the Company. The General Meetings are conducted in an efficient manner and serve as important channel for shareholder communications. The key element for this include the supply of comprehensive and timely information to shareholders and the encouragement of active participation of shareholders at the General Meetings.

9.4 The Board will focus its effort on the following best practices to enhance the effectiveness of the General Meetings:-

- (a) Ensure the notice of AGM and Annual Report issued and dispatched to its shareholders at least twenty-eight (28) days before the date of the AGM;
- (b) All Directors are to attend the General Meetings;
- (c) The Chairman of the AC and NRC to provide meaningful response to questions addressed to them;
- (d) Ensure that each item of special business included in the notice of AGM is accompanied by a full explanation of the effects of the proposed resolution;
- (e) Ensure that the Chairman provides reasonable time for discussion at the General Meetings;
- (f) Ensure that General Meetings support meaningful engagement between the Board, Senior Management and shareholders;
- (g) Ensure that the resolutions set out in the notice of General Meetings are voted by poll;
- (h) Leverage on technology to facilitate voting (including voting in absentia) and remote shareholders' participation at General Meetings;
- (i) Ensure that there is a channel of communication for feedback and queries from shareholders; and

- (j) Ensure minutes of the General Meetings will be circulated to shareholders or uploaded onto the Company's website no later than thirty (30) business days after the General Meetings.

**10. ACCESS TO INFORMATION AND INDEPENDENT ADVICE**

All Directors, whether as a full Board or in their individual capacity shall have unrestricted access to Management and to any information of the Group, including access to the advice and services of the Company's auditors, 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.

In discharging the Directors' duties, each Board member is entitled to seek and obtain independent professional advice at the expense 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. CONFLICT OF INTEREST**

A Director shall at all times avoid conflicts of interest and shall as soon as practicable after the relevant facts have come to his/her knowledge, declare the nature and extent of his/her interest, including interest in any competing business, that he has or may have with the Company or its subsidiaries, at a meeting of the directors of the Company. Every Director shall give notice to the Company of such events and matters relating to him/her as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Act and if so required by the Board, to withdraw from any voting or deliberation of a matter in which the Director or member have an interest.

The Act provides that a Director who is in any way, whether directly or indirectly, interested in a contract entered into or proposed to be entered into by the Company shall be counted only to make the quorum at the board meeting but shall not participate in any discussion while the contract or proposed contract is being considered at the board meeting and shall not vote on the contract or proposed contract.

Where a contract or proposed contract is entered into in contravention of Section 221 of the Act, the contract or proposed contract shall be voidable at the instance of the Company except if it is in favour of any person dealing with the Company for a valuable consideration and without any actual notice of the contravention. A director who knowingly contravenes Section 221 of the Act shall be guilty of an offence against the Act.

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The Listing Requirements of Bursa Securities further provides that a Director with any interest, direct or indirect, must abstain from board deliberation and voting on the relevant resolution in respect of the related party transaction.

**12. 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 Managing Director.

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.

**13. 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 of Bursa Securities when dealing in the Company's securities.

**14. 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.

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The Whistleblowing Policy is made available for reference on the Company's website.

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

The Group is committed to conduct its business in an ethical and honest manner, and to implement and enforce a system that ensures 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- Corruption and Bribery 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 "Corruption and Bribery".

The Anti-Corruption and Bribery Policy is made available for reference in the Company's website.

**16. CODE OF CONDUCT AND ETHICS**

The Group is committed to the highest ethical standards in the conduct of its businesses and operations. To this end, the Board has established the Code of Conduct and Ethics which applies to and provides guidance on the standards of behaviour expected of all Directors and employees the Group.

The Code of Conduct and Ethics is made available for reference on the Company's website.

**17. COMPANY SECRETARIES**

The Board is supported by suitably qualified and competent Company Secretaries who play an important role to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices and advise the Board on compliance with provisions of the Listing Requirements, the Act and other relevant laws and regulations.

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

- (a) Advise the Board on its roles and responsibilities;
- (b) Ensuring that the Board procedures are followed while a meeting is conducted;
- (c) Managing all Board and Board Committee meeting logistics, and attending and recording minutes of all Board and Board Committee meetings;
- (d) Advising the Board on corporate disclosures and compliance with the Act and securities regulations and Listing Requirements;

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- (e) Managing procedures pertaining to the General Meetings; and
- (f) Monitoring corporate governance developments and assisting the Board in adopting good corporate governance practices to meet the Board's needs and stakeholders' expectation.

**18. REVIEW OF THE CHARTER**

The Board shall periodically review this Board Charter in accordance with the needs of the Group, to ensure it remains consistent with the Board's objectives and responsibilities and continued compliance with legal requirements and corporate governance requirements applicable to companies listed on the Bursa Securities and the Company's Constitution.

This Board Charter was reviewed and approved by the Board on 1 July 2023 and is made available for reference on the Company's website.