

## **1. PURPOSE OF BOARD CHARTER**

The Board of ORGABIO HOLDINGS BERHAD (“**ORGABIO**” or “**the Company**”) recognises the importance of adopting high standards of corporate governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders’ value and financial performance of the Group.

As such, the Board has outlined the Company’s corporate governance policy in the form of a Board Charter that defines the respective roles, responsibilities and authorities of the Board, both individually and collectively, and of management in setting direction, management and control of the organisation.

The purpose of this Board Charter is to document the policies upon which the Board able to fulfill its legal and other responsibilities.

This Charter is designed to provide guidance and clarity for Directors and Management regarding the roles and responsibilities of the Board and its sub-committees, the requirements of all Director in carrying out their stewardship role and in discharging their duties towards the Company as well as the Board’s operating practices.

## **2. DEFINING GOVERNANCE ROLES**

### **2.1 THE ROLE OF THE BOARD**

The Board is ultimately responsible for establishing all strategies and policies relating to the running of the Company.

The Board’s role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

The Board reserves a formal schedule of matters for its decision to ensure that the direction and control of the Group is firmly in its hands. Details of these are set out in **Appendix A**.

The Board shall establish an internal audit function, which is independent of the activities it audits, and identify a head of internal audit who reports directly to the Audit and Risk Management Committee.

The Board also seeks to ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body.

The principal responsibilities of the Board are:

- (a) To provide leadership and oversee the overall conduct of the Group’s businesses to ensure that the Group businesses are being properly managed;
- (b) To review and adopt strategic plans for the Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
- (c) To review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard the Group’s reputation, and the Group’s employees and assets and to ensure compliance with applicable laws and regulations;
- (d) To ensure that the Group has effective Board committees as required by the applicable laws,

regulations, rules, directives and guidelines and as recommended by the Malaysian Code on Corporate Governance;

- (e) To review the effectiveness and implementation of anti-bribery and anti-corruption policy and framework;
- (f) To review and approve the Group's annual business plans, financial statements and annual reports;
- (g) To monitor the relationship between the Group and the management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders' communications policy for the Group; and
- (h) To appoint the Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by our Board committees and deliberate on the recommendations thereon.

## **2.2 THE ROLE OF INDIVIDUAL DIRECTOR**

Director is required to be aware of the legal parameters that define his duties, broadly these includes:

- (a) Duty to act in good faith and must act honestly in line with the Company's interests;
- (b) Duty to exercise power for a proper purpose;
- (c) Duty to exercise discretion properly and cannot fetter these powers by abdicating an independent exercise of such discretion and merely doing what is wanted by another person; and
- (d) Duty to avoid conflict of interest and self-dealing through improper use of Company's property, information, position, corporate opportunity or competing with the Company by a director or an officer of a company unless consent or ratification is obtained in a general meeting.

Director should exercise reasonable care, skill and diligence according to the knowledge, skill and experience which may be reasonably be expected of him having the same responsibilities; and based on the facts, any additional knowledge, skill and experience which he has and may be guided as follows:

- (a) Ensuring that the Company or Group has established an effective governance system and process, including compliance with regulatory requirements;
- (b) Refraining from rushing into decision-making. Provide adequate time for deliberations and evaluations of transactional and financial matters;
- (c) Require sufficient notice and distribution of board papers and explanatory appendices in advance of meetings;
- (d) Convene supplemental meetings in response to requests for further information before the final decision;
- (e) Make informed decisions based on the information provided and analysis and recommendations of the Company's independent professional advisers;
- (f) Ensuring that there is no undue pressure from dominant personalities or nominees of significant shareholders; and
- (g) Base reliance on others where there is sound basis for doing so.

## **2.3 THE ROLE OF EXECUTIVE AND NON-EXECUTIVE DIRECTOR**

Executive Directors are, full time employees, involved in the day-to-day management of the Group. Non-Executive Directors are further classified as:

- (a) those who have no direct or indirect pecuniary interest in the Company other than their Directors' fee, related emoluments and their "permitted" holdings of shares in the Company, i.e. Independent Non-Executive Directors; and

- (b) 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 have pecuniary interest in the Company, either as shareholders or otherwise and whether direct or indirect, i.e. Non-Executive Directors.

Non-Executive Directors act as a bridge between Management, shareholders and other stakeholders. They provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied. Letters of appointment for Non-Executive Directors do not set out a fixed time commitment for board duties as the Board believes that the time required by the Non-Executive Directors may fluctuate depending on demands of the business and other events. However, it is expected that Non-Executive Directors shall allocate sufficient time to the Company to perform their duties effectively.

#### **2.4 THE ROLE OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

Independent Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality and leveraging on their respective professional skill set and experiences.

The ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**") emphasise that even if a person does not fall within any of the disqualifying indicators enumerated out, both the Director and the Board must give effect to the spirit, intention and purpose of the definition of an Independent Director. There must be a conscious application of the test of whether the said Director is able to exercise independent judgment and act in the best interests of the Company.

The attributes of collegial yet independent decision-making that must be vested in the Independent Director will be determined in part by the character of the individual and that of the whole ethos of the Board.

#### **2.5 THE ROLE OF SENIOR INDEPENDENT DIRECTOR**

ORGABIO may appoint a Senior Independent Director to whom concerns may be conveyed by shareholders and the public. The role of the Senior Independent Directors includes:

- (a) Acting as a sounding Board to the Chairman;
- (b) Serving as an intermediary for other directors when necessary;
- (c) Acting as point of contact for shareholders and other stakeholders particularly on concerns which cannot be resolved through the normal channels of the Chairman/Group Managing Director ("**GMD**")/Executive Directors; and
- (d) Providing leadership support and advice to the Board in the event that the Board is undergoing a period of stress.

#### **2.6 THE ROLE OF CHAIRMAN**

The Chairman carries out a leadership role in the conduct of the Board and its relations to shareholders and other stakeholders. He is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board as a whole.

There are two main aspects to the Chairman's role. They are the Chairman's role within the boardroom and the Chairman's role outside the boardroom.

### **2.6.1 Inside the Boardroom**

Inside the Boardroom, the role of the Chairman is to:

- (a) Provide leadership to lead the Board in its collective oversight of Management;
- (b) Establish the agenda for Board meetings in consultation with the GMD/Executive Director and Company Secretary;
- (c) Ensure that all Directors are enabled and encouraged to participate at Board meetings. This includes ensuring that all relevant issues are on the agenda and that all Directors receive timely and relevant information tailored to their needs and that they are properly briefed on issues arising at Board meetings;
- (d) Ensure that Executive Directors look beyond their executive functions and accept their full share of the responsibilities of governance;
- (e) Undertake the primary responsibility for organising the information necessary for the Board to deal with items on the agenda and for providing this information to Directors on a timely basis;
- (f) Chair Board meetings;
- (g) Be clear on what the Board has to achieve, both in the long and short term;
- (h) Provide guidance to other Board members about what is expected of them;
- (i) Ensure that Board meetings are effective in that:
  - the appropriate matters are considered during the meeting (for example, strategic and important issues);
  - matters are considered carefully and thoroughly;
  - all Directors are given the opportunity to effectively contribute; and
  - the Board comes to clear decisions and resolutions are noted;
- (j) Ensure that the Board behaves in accordance with Board Charter;
- (k) Manage the interface between the Board and Management; and
- (l) Perform other responsibilities as assigned by the Board, from time to time.

### **2.6.2 Outside the Boardroom**

Outside the Boardroom, the role of the Chairman is to:

- (a) In conjunction with the GMD/Executive Director, undertake appropriate public relations activities to provide effective communication with stakeholders and to communicate their views to the Board;
- (b) Be the spokesperson for the Company at the Annual General Meeting (“AGM”) and in the reporting of performance and financial results;
- (c) Be the major point of contact between the Board and the GMD/Executive Director;
- (d) Be kept fully informed of current events by the GMD/Executive Director on all matters which may be of interest to Directors;
- (e) Regularly review with the GMD/Executive Director, and such other appropriate senior officers, progress on important initiatives and significant issues facing the Company; and
- (f) Provide mentoring for the GMD/Executive Director.

## **2.7 THE ROLE OF GMD/EXECUTIVE DIRECTOR**

The GMD/Executive Director is responsible for implementing the programme to achieve the Group’s goals and vision for the future, in accordance with the strategies, policies, programs and performance requirements approved by the Board. The position reports directly to the Board.

The GMD/Executive Director’s primary objective is to seek to achieve the ongoing success of the Group through being responsible for all aspects of the management and development of the Company. The GMD/Executive Director is of critical importance to the Group in guiding the Group to develop new and

imaginative ways of winning and conducting business and must possess industry knowledge and credibility to fulfill the requirements of the role.

The GMD/Executive Director will manage a team of executives responsible for all functions contributing to the success of the Group.

The GMD/Executive Director specific responsibilities will include:

- (a) Developing the strategic direction of the Group and provide directions in the implementation of short and long terms strategies and plans;
- (b) Overseeing the business and day-to-day operations to ensure smooth and effective running of the Group;
- (c) Selecting and appointing key staff as well as responsible for ensuring high competency, productivity and performance through performance management and professional development;
- (d) Communicating the Group's mission, vision, values and personality to the employees;
- (e) At each of its scheduled meetings, the Board should expect to receive from or through the GMD/Executive Director:
  - summary reports on the performance and activities of the Group and specific proposals for capital expenditure acquisitions and disposals; and
  - such assurances as the Board considers necessary to confirm that the Management's limits are being observed;
- (f) The GMD/Executive Director is expected to act within all specific authorities delegated to him by the Board;
- (g) Executive management of the Group's business, covering, inter-alia, the development of a sustainable strategic plan, an annual operating plan and budget, performance benchmarks to gauge Management's performance, and an analysis of Management reports;
- (h) Developing long-term strategic and short-term profit plans, designed to ensure that the Group's requirements for growth, profitability and return on capital are achieved;
- (i) Directing and controlling all aspects of the business operations in a cost-effective manner;
- (j) Effectively overseeing the human resource of the organisation with respect to key positions in the Group hierarchy and ensuring the general well-being of employees, including the determination of remuneration as well as terms and conditions of employment for Senior Management personnel and issues pertaining to discipline of all employees;
- (k) Effectively representing the interest of the Group with major customers, governments and their agencies, and industries at large, to ensure general goodwill towards the Group and cooperation in planned development;
- (l) Providing assistance to members of the Audit and Risk Management, Nomination and Remuneration Committees, as required, in discharging their duties;
- (m) Assisting the Chairman in organising information necessary for the Board to deal with the agenda and for providing such information to Directors on a timely basis;
- (n) Ensuring the success of the Group's governance and management functions;
- (o) Undertaking the role of key company spokesperson;
- (p) Ensuring appropriate risk management practices and policies are in place;
- (q) Developing and motivating direct reports and their respective teams;
- (r) Assessment of business opportunities of potential benefit to the Group; and
- (s) Responsibility for proposals for major capital expenditure to ensure their alignment with corporation strategy and justification on economic grounds.

## **2.8 BOARD COMMITTEES**

As managing and controlling companies have become more complex and demanding, boards are resorting to committees to assist them in the discharge of their duties and responsibilities.

However, the existence of Board Committees does not diminish the Board's overall responsibility for the affairs of the Group. The Board can delegate powers to committees but such delegation should be subject to the following:

- (a) Delegated authority in accordance with the Company's terminology;
- (b) Clearly established terms of reference, defining their responsibilities and authority, which are approved by the Board;
- (c) The Board must supervise its delegation; and
- (d) The Board must not merely adopt or rely on the committees' recommendations without proper assessment and testing or challenging the same.

Each committee's role should be spelt out in written terms of reference approved by the Board. Each year, the Board, through the Committee, reviews the Board Committee's effectiveness. The Chairman of each Board Committee should assess the performance of individual member on annual basis. These assessments can be used to facilitate the Nomination Committee's evaluation of Board Committees' performance.

The Board has established the following Board Committees of which the role of the respective Board Committees is as summarised below:

#### **2.8.1 Audit and Risk Management Committee ("ARMC")**

The ARMC is formed to play a crucial role in corporate governance process, a process that is one of the cornerstones of shareholders' protection. The board may delegate, but not abdicate its responsibilities to the ARMC.

The ARMC is also primarily responsible for overseeing risk management framework and policies of the Group.

The ARMC should assume four fundamental responsibilities:

- (a) Assessing the risks and control environment;
- (b) Overseeing financial reporting;
- (c) Evaluating the internal and external audit process; and
- (d) Reviewing conflict of interest situations and related party transactions.

The terms of reference of the ARMC are attached under **Appendix B**.

#### **2.8.2 Nomination Committee**

The Nomination Committee oversees matters relating to the nomination of new Directors, annually reviews the required mix of skills, experience, assessment of independent directors' performance, reviews succession plans and, boardroom diversity; oversees training courses for directors and other requisite qualities of Directors, as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director. The terms of reference of the Nomination Committee are attached under **Appendix D**.

#### **2.8.3 Remuneration Committee**

The Remuneration Committee is responsible for reviewing and recommending the remuneration framework for Directors as well as the remuneration packages of Executive Director, Non-Executive

Director and Senior Management to the Board, drawing from outside advice if necessary. The terms of reference of the Remuneration Committee are attached under **Appendix E**.

## **2.9 COMPANY SECRETARY**

The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board recognises the fact that the Company Secretary should be suitably qualified and capable of carrying out the duties required of the post.

The key role of the Company Secretary is to provide unhindered advice and services for the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.

The primary responsibilities of the Company Secretary include:

- (a) ensuring that Board procedures and applicable rules are observed;
- (b) advising the Board on its roles and responsibilities;
- (c) facilitating the orientation of new Directors and assisting in directors' training and development;
- (d) maintaining records of the Board and ensuring effective management of the Company's records;
- (e) managing all Board and Board Committees meeting logistics, attending and preparing comprehensive minutes to document Board and Committee proceedings and ensuring conclusions are accurately recorded;
- (f) advising the Board on corporate disclosures and compliance with company and securities regulations and Listing Requirements;
- (g) managing processes pertaining to the shareholders' meeting;
- (h) monitoring corporate governance developments and assisting the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;
- (i) serve as a focal point for stakeholders' communication and engagement on corporate governance issues; and
- (j) carrying out other functions as deemed appropriate by the Board from time to time.

## **3. COMPOSITION AND BOARD BALANCE**

### **3.1 SIZE AND COMPOSITION**

The Board will ensure that its size and composition is optimum and well balanced, which is consistent with the size of the Group and its operation. At least 1/3 of the Board, or two (2) members, whichever higher, shall consist of Independent Non-Executive Directors. If the number of directors is not 3 or a multiple of 3, then the number nearest 1/3 must be used.

The Board opined that its members should have wide ranging experience, skill, knowledge that add value to the Company and its Group. The qualifications for Board membership are the ability to make informed business decisions and recommendations; possesses an entrepreneurial talent for contributing to the creation of shareholder value; relevant experience, the ability to appreciate the wider picture of the Group's business; ability to ask probing operational related questions; high ethical standards; sound practical sense; and total commitment to furthering the interests of shareholders and achievement of the Group's goals. In addressing this, the Board shall consider recommendations by the Nomination Committee pertaining to nominees for directorship in the Company.

The Executive Directors in particular are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as co-coordinating the development and implementation of business and corporate strategies.

The Independent Non-Executive Director shall be person of caliber, credibility and have the necessary skill and experience to bring independent judgment to the decision making of the Board and provide a capable check and balance for the executive directors as well as contribute significantly in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and controls.

The positions of Chairman and GMD/Executive Director should be held by different individuals and there is a clear division of responsibilities of these individuals to ensure a balance of authority and power.

### **3.2 APPOINTMENT AND RE-ELECTION**

The Board will consider and decide on the appointment of a new director upon appropriate recommendation from the Nomination Committee.

For the assessment and selection of Directors, the Nomination Committee shall consider objective criteria, merit with due regard of prospective Directors' character, experience, competence, integrity and time availability, as well as the following factors:

- (a) industry skills, knowledge expertise, age, cultural background;
- (b) professionalism;
- (c) diversity;
- (d) contribution and performance; and
- (e) 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.

Newly appointed director unless they have already attended the same, must attend Mandatory Accreditation Programme as prescribed by Bursa Malaysia Securities Berhad ("**Bursa Securities**").

Pursuant to the Company's Constitution, one third (1/3) of the Board members are required to retire at every AGM and be subjected to re-election by shareholders.

Newly appointed directors shall hold office until the next AGM and shall be subjected to re-election by the shareholders.

All Directors shall retire once every three (3) years but shall be eligible for re-election.

### **3.3 INDEPENDENT DIRECTOR**

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

The existence of Independent Directors on the Board by itself does not ensure the exercise of independent and objective judgment as independent judgment can be compromised by, amongst others, familiarity or close relationship with other board members.

Therefore, the Board with assistance from Nomination Committee undertakes to carry out annual assessment of the independence of its Independent Directors and focus beyond the Independent Director's background, economic and family relationships and consider whether the independent director can continue to bring independent and objective judgment to board deliberations.



The Listing Requirements emphasise that even if a person does not fall within any of the disqualifying indicators enumerated out in Rule 1.01 of the Listing Requirements, both the Director and the Board must give effect to the spirit, intention and purpose of the definition of an Independent Director. There must be a conscious application of the test of whether the said Director is able to exercise independent judgment and act in the best interests of the Company, for example, test of independence of mind and independence in appearance.

Nomination Committee will carry out the test of independence of mind on the Director to determine if the state of mind of the Director permits him/her to exercise independent judgment without being affected by influences that compromise objectivity; whereas the test of independence in appearance relates to the test that the Director is free from any personal, family or economic interests which would lead a third party to cast doubts on an independent director's objectivity.

The attributes of collegial yet independent decision-making that must be vested in the Independent Director will be determined in part by the character of the individual and that of the whole ethos of the Board.

The tenure of an Independent Director should not exceed a cumulative term of 9 years. Upon completion of the 9 years, an Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director. In the event the Board intends to retain such director as Independent Director after the latter has served a cumulative term of 9 years, the Board must justify the decision and seek annual shareholders' approval through a two-tier voting process. For the Board to justify and seek shareholders' approval for retaining a person who has served in that capacity for more than 9 years as an Independent Director, the Nomination Committee/Board must conduct a rigorous review to determine whether the Director is independent in character and judgment, taking into account the need for progressive refreshing of the Board.

### **3.4 THE BOARD'S RELATIONSHIP WITH SHAREHOLDERS AND STAKEHOLDERS**

The Board shall maintain an effective communications policy that enables both the Board and Management to communicate effectively with shareholders, stakeholders and the general public.

It is the role of the Board to ensure that the AGM and Extraordinary General Meeting ("EGM") of the Company are conducted in an efficient manner and serve as crucial mechanisms in shareholder communications. Key ingredients behind this include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the AGM and EGM. The Board shall focus its efforts on the following practices to enhance the effectiveness of General Meeting:

- (a) ensure that shareholders are given sufficient notice and time to consider the resolution(s) that will be discussed and decided at the General Meeting. The Board shall also ensure that each item of special business included in the notice is accompanied by a full explanation of the effects of the proposed resolution;
- (b) for re-election and re-appointment of Directors, ensure that the notice of meeting states which Directors are standing for re-appointment or re-election, with a brief description including matters such as age, relevant experience, list of directorships, date of appointments to the Board, details of participation in Board Committees and whether a particular Director is independent;
- (c) ensure that the Chairman provides reasonable time for discussion at the meeting. Where appropriate, the Chairman will also undertake to provide the enquirer with a written answer to any significant question which cannot be answered immediately;
- (d) ensure that any resolution set out in the notice of General Meeting is voted by poll and to announce the detailed results of the votes cast for and against each resolution. The Chairman shall also ensure that there is a channel of communication through the Company Secretary on feedback and queries

from shareholders;

- (e) ensure that all Directors attend General Meetings to provide opportunity for shareholders to effectively engage each Director as well as provide meaningful response to questions addressed to them;
- (f) ensure the Chairman of the Board is the Chairman for all General Meetings; and
- (g) ensure that the Company publishes these measures listed above, on its corporate website on a dedicated Corporate Governance section.

#### **4. BOARD PROCESS**

##### **4.1 BOARD MEETINGS**

The Board should meet at least four (4) times in a financial year. For current situation virtual meeting will consider. The Company Secretary shall in advance prepare and distribute to all Directors a timetable for the meetings for the financial year. The Company Secretary shall work together with the Chairman and GMD/Executive Director in developing the annual meeting timetable.

A Director may at any time and the secretary shall on the requisition of a director summon a meeting of the directors by giving them not less than seven (7) days' notice thereof unless such requirement is waived by them.

The Chairman of the Board shall preside at all meetings. If the Chairman is unavailable or if he is not present within fifteen (15) minutes after the time set for the holding of the meeting, the Directors present shall elect one (1) of their number to be Chairman of the meeting.

Board members are required to attend the Board meetings. However, other Senior Management may be invited to attend meetings for particular items within their responsibility. The Board may also invite external parties such as the auditors, solicitors and consultants as and when the need arises.

Resolutions of any meeting of the Directors shall be decided by a majority of votes and a determination by a majority of directors shall for all purposes be deemed a determination of the directors. In case of an equality of votes, the Chairman of the Meeting shall have a second or casting vote.

Resolutions of the Directors at a meeting or adjourned meeting of the Directors shall be adopted by majority of the Directors present. In the event issues requiring the Board's decision arise between meetings, such issues shall be resolved through circular resolution subsequent to discussions being held amongst the Board members, either via teleconference, videoconference, email, etc. in order for the Board as a whole to be apprised on such matters and obtain their view points before arriving at a decision.

Such circular resolution in writing shall be valid and effective if it is signed or approved by letter, telex, telegram, cable, facsimile or other electrical or digital written message by the majority of the Directors, and such discussions, including any concerns raised and the rationale for the decisions so made in the resolution shall be tabled at the immediate Board meeting for formal record keeping.

Directors shall be deemed to be present in person at a meeting if he participates by telephone, audio or audio visual or such other electronic means and all members participating in the meeting are able to hear and/or see each other. The Directors participating in any such meeting shall be counted in the quorum for such meeting. All resolutions agreed upon by the Directors in 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 meeting.

A Director shall not participate in any discussion and shall abstain from voting on contracts or proposed contracts or arrangements in which he has direct/indirect interests. A Director shall also not vote on contracts or proposed contracts or arrangements with any other company in which he is interested either in his capacity as an officer of the Company or as a shareholder of the Company.

All acts done by any meeting of the directors or of a committee of directors or by any person acting as a director shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

#### **4.2 AGENDA**

The notice of a Directors' meeting shall be given in writing at least seven (7) days, or shorter notice where it is unavoidable, prior to the meeting. The Chairman, in conjunction with the GMD/Executive Director and the Company Secretary, shall undertake the primary responsibility for preparing the Board's agenda. The agenda shall include, amongst other things, matters specifically reserved for the Board's decision. The Board shall record its deliberation, in terms of the issues discussed, and the conclusions thereof, in discharging its duties and responsibilities.

The agenda shall address high-priority strategic and operational issues, where necessary, and ensure that there is enough time for discussion. Agenda issues shall be aligned with the overall Company's context, including its starting situation, aspiration and priorities.

#### **4.3 MEETING PAPERS**

To allow sufficient time for Directors to consider the relevant information, Board papers and agenda items are to be circulated at least five (5) working days, or a shorter period where unavoidable, prior to the meeting. Where there is a need to table a report, a brief statement of findings and/or recommendations is prepared.

Minutes are prepared following a Board meeting and are circulated in draft form for the Board to ensure that the minutes accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberating on a particular matter. The draft minutes will be re-circulated with the Board papers in readiness for signing at the following meeting. The practice is for minutes to record processes and decisions rather than a historical narrative of the discussion or concluding remarks of final decisions made. If one or more Directors request their opinion to be noted, the Company Secretary shall comply with the request.

#### **4.4 ACCESS TO INFORMATION**

A record of submissions, papers and material presented to the Board is maintained and kept by the Company Secretary, together with minutes of meetings, and is accessible to Directors during office hours.

All Directors (Executive and Non-Executive) have the same right of access to information relevant to the furtherance of their duties and responsibilities as Directors of the Company, subject to a formal written request to the Board Chairman furnishing satisfactory and explicit justification for such a request.

The procedures for obtaining access to information are set out under **Appendix F**.

#### **4.5 APPOINTMENT, VACATION OF OFFICE AND REMOVAL OF DIRECTORS**

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

Any Director of ORGABIO shall not be considered fit for directorship if the Director:

- (a) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a Company;
- (b) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence, involving bribery, fraud or dishonesty or where the conviction involved a finding that the Director acted fraudulently or dishonestly; or
- (c) has been convicted by a court of law of an offence under the securities laws of Malaysia or the Companies Act 2016 (“CA”), within a period of five (5) years from the date of conviction or if sentenced to imprisonment, from the date of release from prison.

The office of director shall, ipso facto, be vacated if the director:

- (a) resign his office by notice in writing to the Company;
- (b) has retired in accordance with the CA or the Constitution of the Company but is not re-elected;
- (c) is removed from his office of director by resolution of the Company in General Meeting of which special notice has been given;
- (d) becomes bankrupt or makes any arrangement or composition with his creditors generally during his term of office;
- (e) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder during his term of office;
- (f) dies;
- (g) ceases to be a director by virtue of the CA;
- (h) is absent from more than 50% of the total Board meetings held during a financial year unless approval is sought or obtained from Bursa Securities; or
- (i) Where a Director is removed from office, ORGABIO must forward to Bursa Securities a copy of any written representations made by the Director at the same time as copies of such representations are sent to shareholders/Management of ORGABIO.

#### **4.6 INDUCTION PROCESS & DIRECTORS’ TRAINING PROGRAMME**

The objective of the induction process and training programme is to provide Directors with a rapid and clear insight into the Group as well as keeping them abreast with development in the market place pertaining to the oversight function of Directors. This will enable the Directors to discharge their duties and responsibilities effectively.

Induction of Directors may include the following:

- (a) time with other Directors to enable further insights and knowledge of the Company, in particular the Chairman and the Company Secretary;
- (b) furnishing of a copy of the previous Board minutes for at least the past six (6) months;
- (c) visits to key sites;
- (d) additional Board or Board Committee meetings as circumstances warrant during a given financial year. As in-depth knowledge of the particulars of the Company’s/Group’s business are vital for each Director, Management is encouraged to structure Board or Board Committee meetings to allow direct involvement and review of operational activities (for example, by holding Board meetings in field operations and including market/ business activities in the Board meetings); and

- (e) a formal one (1) to two (2) day induction programme, including the elements above, and also presentations by key management personnel.

Directors are strongly encouraged to undergo training to equip themselves to effectively discharge their duties as a Director and for that purpose he ensures that he attends such training programmes.

Directors are required to undergo the Mandatory Accreditation Programme under the requirements of Bursa Securities. In addition, Directors are required to attend relevant training courses/seminars at periodic intervals to keep them abreast with development pertaining to the oversight function of Directors as well as updates on technical matters, for example financial reporting standards, tax budgets, etc. The Nomination Committee in association with the Chairman shall decide on the continuous education training programme for Directors.

At the start of each financial year, the Board collectively should discuss to assess the training needs of each Director and to decide on the type of training that may be required for effective and efficient discharge of Directors' duties and responsibilities.

The costs of the Mandatory Accreditation Programme and/or continuing education program shall be borne by the Company.

#### **4.7 CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS**

A Director who is in any way, weather directly or indirectly, interested in a contract or proposed contract with the Company shall declare his interest in accordance with the provisions of the CA. The Directors shall state the fact and the nature, the character and extent of any office or profession of any property that may duly, directly or indirectly be in conflict with his duties as a Director. The Director concerned shall not participate in deliberations and shall abstain himself from casting his votes in any matter arising thereof otherwise as provided for in the Constitution of the Company.

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 such as a spouse or other family members, the Director involved shall make full disclosure and act honestly in the best interest of the Company.

An actual, potential or perceived conflict of interest shall not necessarily disqualify an individual Director from the Board provided that full disclosure of the interest has been made in good faith and with due honesty.

Related party transactions include any financial transaction between a Director or officer and the Company and will be reported to each Board meeting.

#### **4.8 DIRECTORS' EXTERNAL COMMITMENTS**

Directors shall devote sufficient time to carry out their responsibilities. Directors shall notify the Chairman before accepting any new directorships and the notification shall provide for an indication of time that will be spent on the new appointment.

The Company Secretary should facilitate the Directors' annual independence and conflict of interest declarations, which will allow the Directors to perform an annual self-declaration on independence (i.e. for Independent Non-Executive Directors) and conflict of interest (i.e. for all Directors).

#### **4.9 REPRESENTATION OF THE COMPANY**

The Board looks to Management to speak on behalf of ORGABIO and to manage the communication of information to investors, other stakeholders and the public in an orderly and effective manner while adhering, at all times, to relevant laws and regulatory requirements. The Board may authorise two (2) of its members to be determined by the Board from time to time to be the official spokespersons for ORGABIO.

The Board shall have the relevant corporate disclosure policies and procedures to ensure comprehensiveness, accuracy and timeliness. These policies and procedures shall ensure compliance with the relevant disclosure requirements as enumerated in Listing Requirements.

The Company shall consider the use of information technology in communicating with stakeholders, including a dedicated section for Investor Relations on the Company's website. This section shall provide information such as, amongst others, the Company's performance, corporate strategy, Annual Report and other matters affecting shareholders' interests.

A formal Corporate Disclosure Policy will be developed and implemented.

#### **4.10 THE COMPANY'S CONSTITUTION AND MANAGEMENT'S LIMITS**

The Board operates pursuant to the powers and is subject to rules in the Constitution of the Company.

Management is expected to act within all specific authorities delegated to it by the Board.

Management is expected not to cause or permit any practice, activity or decision that is contrary to commonly accepted good business practices or professional ethics.

#### **4.11 DIRECTORS' CODE OF CONDUCT**

The Board of Directors of ORGABIO shall ensure that the Group upholds high standards of ethics and corporate behaviour. A governing Board is in a position of trust. It holds in trust not only the Group's physical and intellectual assets but also the efforts of those who have gone before. It preserves and grows these things for the current and future generations. Its stewardship will protect the organisation from harm and steer it towards positive achievement.

In that light and in the performance of their duties, a Director of ORGABIO is first and foremost held accountable in demonstrating the following:

- (a) a clear understanding of the aims and purpose, capabilities and capacity of the Company;
- (b) devote time and effort to attend meetings and to know what is required of the Board and each of its Directors, and to discharge those functions;
- (c) ensure at all times that the Company is properly managed and effectively controlled;
- (d) stay abreast of the affairs of the Company and be kept informed of the Company's compliance with the relevant legislation and contractual requirements;
- (e) insist on being kept informed on all matters of importance to the Company in order to be effective in corporate management;
- (f) limit his directorship of companies to a number in which he can best devote his time and effectiveness; each Director is his own judge of his abilities and how best to manage his time effectively in the Company in which he holds directorship;
- (g) have access to the advice and services of the Company Secretary, who is responsible to the Board to ensure proper procedures, rules and regulations are complied with;

- (h) at all times exercise his powers for the purposes they were conferred, for the benefit and prosperity of the Company;
- (i) disclose immediately all contractual interests whether directly or indirectly with the Company;
- (j) not divert to his own advantage any business opportunity that the Company is pursuing, or misuses confidential information obtained by reason of his office for his own advantage or that of others;
- (k) at all times act with utmost good faith towards the Company in any transaction and to act honestly and responsibly in the exercise of his powers in discharging his duties;
- (l) be willing to exercise independent judgment and, if necessary, openly oppose if the vital interest of the Company is at stake. Relationship with Shareholders, Employees, Creditors and Customers;
- (m) be conscious of the interest of shareholders, employees, creditors and customers of the Company;
- (n) at all times promote professionalism and improve the competency of Management and employees; and
- (o) ensure adequate safety measures and provide proper protection to workers and employees at the workplace;
- (p) adopt an objective and positive attitude and give the utmost cooperation for the common good when dealing with government authorities or regulatory bodies;
- (q) ensure the effective use of natural resources, and improve quality of life by promoting corporate social responsibilities;
- (r) be proactive to the needs of the community and to assist in society-related programmes; and
- (s) ensure that the activities and the operations of the Company do not harm the interest and well-being of society at large.

The Directors' Code of Conduct will be reviewed and updated periodically.

## **5. APPLICATION**

The principles set out in this Board Charter are:

- (a) kept under review and updated as practices on Corporate Governance develop further guidelines on Corporate Governance are issued by the relevant regulatory authorities;
- (b) applied in practice having regard to their spirit and general principles rather than the form itself; and
- (c) summarised in the Annual Report as part of a narrative statement by the Directors on Corporate Governance.

The Board endeavours to comply at all times with the principles and practices as set out in this Board Charter.

The Board will periodically review and update the Board Charter in accordance with the needs of the Company and any new regulations that may have impact on the discharge of the Board's responsibilities.

**-End-**

## **APPENDIX A**

### **MATTERS RESERVED FOR COLLECTIVE DECISION OF THE BOARD**

The authorities of the Board are specified below and may be varied from time to time as determined by the Board.

#### **Conduct of the Board**

- i) Appointment and recommendation for removal of Directors.
- ii) Appointment and removal of Company Secretaries.
- iii) Appointment of Board committees and members.
- iv) Recommendation for appointment/reappointment of internal and external auditors.
- v) Approval of terms of reference of Board Committees and amendments to such terms.
- vi) Appointment of Senior Executive positions, including that of the Group Managing Director (“GMD”) and Executive Directors (“EDs”) of the Company and their duties and the continuation (or not) of their service.

#### **Remuneration**

- i) Approval/recommendation of the directors’ fee/remuneration arrangements for non-executive directors.
- ii) Approval of remuneration packages including service contracts for GMD and EDs.
- iii) Approval of remuneration structure, policy and procedure for GMD, EDs and Senior Management.
- iv) Approval of any proposed employees’ share option scheme and/or amendments to the scheme, subject to other approvals that may be required by law or regulations.

#### **Operational**

- i) Review and approval of strategic plan and annual budget.
- ii) Approval of bad debts write-off in excess of the prescribed amount as may be determined from time to time.
- iii) Approval of investment or divestment in a company/business/property undertaking; Approval of investment or divestment of a capital project which represents a significant diversification from the existing business activities.
- iv) Approval of changes in the major activities of the Company or Group.
- v) Approval of treasury policies and bank mandate.
- vi) Approval of the Limits of Authority for the Company, if any.

#### **Financial**

- i) Approval of quarterly and annual financial statements.
- ii) Approval for the release of financial announcements.
- iii) Approval of the Directors’ Report, Corporate Governance Overview Statement and Statement of Risk Management and Internal Report and Chairman’s Statement for inclusion in the Company’s Annual Report and Statutory Accounts.
- iv) Approval of Corporate Governance Report for announcement to Bursa Securities.
- v) Approval of interim dividends, the recommendation of final dividends and the making of any other distribution.
- vi) Adoption of accounting policies in line with the Malaysian Financial Reporting Standards.
- vii) Review the effectiveness of the Group’s system of risk management and internal control. This



function is delegated to the Audit and Risk Management Committee which will in turn report to the Board on its findings.

**Other Matters**

- i) The granting of powers of attorney by the Company.
- ii) The entering into of any indemnities or guarantees.
- iii) Recommendations for the alteration of the Constitution of the Company.
- iv) Alteration of the accounting reference date, registered office and name of the Company.
- v) Change in financial year end.
- vi) Recommendation for purchase of own shares by the Company.
- vii) Recommendation for issuance of any debt instruments.
- viii) Scheme of reconstruction or restructuring.
- ix) Any other significant business decision.
- x) Any other matter requiring the convening of a general meeting of shareholders or any class of shareholders.
- xi) Any other matters as may be required by the laws or the governing authorities.
- xii) Any other matters requiring the Board's approval under the Limits of Authority adopted by the Company.

**-End-**

## APPENDIX B

### TERMS OF REFERENCE OF AUDIT AND RISK MANAGEMENT COMMITTEE

#### 1. Objectives

The Audit and Risk Management Committee (“**ARMC**” or “**the Committee**”) of the Company is responsible to ensure that the auditing, accounting principles and practices are in line with international and Malaysian best practices and conform to all legislative requirements. In this regard, the principal objectives of the ARMC are to assist the Board with oversight of: the integrity of the Company’s financial statements; the financial reporting process; the systems of internal accounting and financial controls; the performance of the Company’s internal audit function; the identification and management of the Company’s significant risks; and the Company’s compliance with ethics-related policies and legal and regulatory requirements.

The ARMC also delegated by the Board of Directors to identify and implement the appropriate systems for overseeing the Group’s principal risks. The ARMC in turn is assisted by the Risk Management Unit (“**RMU**”) for identifying and managing the risks that the Group face on a continual basis, so that the Group will be able to achieve its goals.

#### 2. Memberships

The ARMC shall be appointed by the Board of Directors of the Company from amongst the Board and shall consist of not less than three (3) members, majority of which shall comprise of independent directors. At least one member must be a member of the Malaysian Institute of Accountants or fulfills such other requirements as prescribed or approved by the Bursa Securities.

The Chairman of the ARMC shall be an Independent Non-Executive Director appointed by the Board. Appointment of a member of the Committee is the prerogative of the Board, after having considered his integrity and objectivity.

Removal of a member of the ARMC is also the prerogative of the Board.

In the event of any vacancy resulting in the non-compliance with the above, the Board shall within three (3) months of that event, fill the vacancy.

The ARMC shall observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the ARMC was a former partner of the external audit firms of the Group, including its affiliate firm providing advisory service, tax consulting, etc.

The terms of office and performance of the ARMC and each of its members should be reviewed by the Board at least once in a financial year.

The Company Secretary shall be the Secretary of the Committee.

#### 3. Authority

The ARMC is authorised by the Board to review any activity within its terms of reference. It shall have resources which are required to perform its duties. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the ARMC. It

shall have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity.

The ARMC also authorised by the Board to make decisions on matters relating to the establishment of an effective risk management and internal control framework, and submit to the Board its recommendation from time to time, for the Board's consideration and approval.

The ARMC is authorised by the Board to obtain outside legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The ARMC shall report to the Board.

The ARMC has the authority to investigate any matter within its terms of reference, at the cost of the Company and with the following:

- (a) the resources which are required to perform its duties;
- (b) full and unrestricted access to any information pertaining to the Company;
- (c) direct communication channels with the External Auditors and the Internal Auditors;
- (d) ability to obtain independent professional or other advice; and
- (e) ability to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other Directors and employees of the listed corporation, whenever deemed necessary.

The Internal Auditor shall report directly to the ARMC and shall have direct access to the Chairman of the ARMC on all matters of control and audit. All proposals by Management regarding the appointment, transfer and removal of the Internal Auditor of the Company shall require prior approval of the ARMC. Any inappropriate restrictions on audit scope are to be reported to the ARMC.

#### **4. Functions of the ARMC**

- (a) To review the engagement, compensation, performance, qualification and independence of the external auditors, its conduct of the annual statutory audit of the Group's financial statements, and the engagement of external auditors for all other services;
- (b) To review and recommend the quarterly and annual financial statements for approval by the Board before announcement to regulatory bodies, focusing in particular on any changes in or implementation of major accounting policies and practices, significant and unusual events, significant adjustments arising from our audit, going concern assumption and compliance with accounting standards and other regulatory or legal requirements;
- (c) To conduct periodic review of the involvements of the Managing Director/Executive Directors in the companies outside of the Group, in which they have executive functions to ensure that it does not affect their role and responsibilities within the Group;
- (d) To review and monitor any related party transaction/business dealings entered into by the Group and any conflict of interest situation that may arise within the Group to ensure that they are conducted on arms' length basis and based on terms that are fair to the Group;
- (e) To oversee and recommend the risk management policies and procedures of the Group;

- (f) To review and recommend changes as needed to ensure that the Group has in place at all times a risk management policy which address the strategies, operational, financial and compliance risk;
- (g) To implement and maintain a sound risk management framework which identifies, assesses, manages and monitors the Group's business risks;
- (h) To set reporting guidelines for the Management to report to the committee on the effectiveness of the Group's management of its business risks;
- (i) To review the risk profile of the Group and to evaluate the measure taken to mitigate the business risks;
- (j) To review the adequacy of the Management's response to issues identified to risk registers, ensuring that the risks are managed within the Group's risk appetite;
- (k) To perform the oversight function over the administration of whistleblowing policy that is approved and adopted by our Board and to protect the values of transparency, integrity, impartiality and accountability where the Group conducts its business and affairs;
- (l) To enhance its accountability in preserving its integrity and to withstand public scrutiny which in turn enhances and builds the Group's credibility to all the stakeholders;
- (m) To consider the major findings of internal investigations and the Management's response;
- (n) To do the following, in relation to the internal audit function:
  - i) consider and approve the appointment of internal auditors, internal audit fee and any question of resignation or dismissal;
  - ii) review the adequacy of the scope, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
  - iii) review the internal audit plan and results of the internal audit assessments and investigation undertaken, and ensure that appropriate action is taken on the recommendations of the internal auditors;
  - iv) consider the internal audit reports and findings by the internal auditors, fraud investigations and actions and steps taken by the management in response to audit findings;
  - v) review and decide on the budget allocated to the internal audit function;
  - vi) appraise or assess the performance of members of the internal audit function; and
  - vii) monitor the overall performance of our Company's internal audit function.
- (o) To perform such other functions as may be requested by our Board.

The ARMC is also assisted by the RMU who acts as the coordinator. The ARMC is primarily responsible for review of the risk management process.

#### **4. Attendance of the Meeting**

The Company must ensure that other Directors and employees attending any particular ARMC meeting only at the ARMC's invitation, specific to the relevant meeting. However, at least twice in a financial year the ARMC shall meet with External Auditors excluding the attendance of other Directors and employees of the listed corporation, whenever deemed necessary.

The Company Secretary shall be the secretary of the ARMC. Minutes shall be maintained by the secretarial department and be available for inspection during working hours at the request of the members.

**5. Procedure of the Committee**

- i) The internal and external auditors and members of the ARMC may call for the ARMC meeting which they deem necessary.
- ii) The notice of such meeting shall be given at least seven (7) days before the meetings unless such requirement is waived by the members present in the meeting.
- iii) The voting and proceedings of such meetings shall be on show of hands. The Chairman shall have a casting vote.
- iv) The minutes shall be kept by the Company Secretary and shall be available for inspection during working hours at the request of the Directors and members.
- v) The ARMC shall cause minutes to be duly entered in books provided for the following purpose:
  - (a) of all appointments of member;
  - (b) of the names of members and invitees such as others Director, and employees present at all meetings of the ARMC;
  - (c) of all actions, resolutions and proceedings at all meetings of the ARMC. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting in which case the minutes shall be confirmed as correct by a member or members present at the succeeding meeting who was or were also present at the preceding meeting. Such minutes shall be conclusive evidence without further proof of the facts thereon stated; and
  - (d) of all other orders made by the members of the ARMC.

**6. Quorum**

The presence of two (2) members constitutes a quorum for a meeting of the Committee.

**7. Frequency of Meetings**

Meetings shall be held at least four (4) times in a financial year. The External Auditors may request a meeting if they consider one necessary.

**-End-**

## **APPENDIX C**

### **TERMS OF REFERENCE OF RISK MANAGEMENT UNIT**

#### **1. Objectives**

The Risk Management Unit (“**RMU**” or “**the Committee**”) is tasked by the Audit and Risk Management Committee to identify and manage the risks that the Group face on a continual basis, so that the Group will be able to achieve its goals.

The RMU is responsible for executing the Group’s risk management policy parameters. The approach aligns strategy, processes and people with the purpose of evaluating and managing potential losses.

#### **2. Memberships**

The RMU shall headed by the Group Managing Director/Executive Director and its members should comprise with the Head of Department (“**HOD**”) from respective divisions.

The RMU may appoint additional member to the Committee based on their experience, objectivity and knowledge and expertise.

Removal of a member of the RMU is also the prerogative of the Executive Director.

#### **3. Principal roles and responsibilities of the RMU**

- i) to communicate board vision, strategy, policy, responsibilities, and reporting lines to all employees across the Group;
- ii) to identify and communicate to the ARMC the critical risks (present or potential) the Group faces, their changes, and the management action plans to manage the risks;
- iii) to perform risk oversight and review risk profiles (Company and the Group) and organisational performance;
- iv) to provide guidance to the business units on the Group’s and business unit’s risk appetite and capacity, and other criteria, which, when exceeded, trigger an obligation to report upward to the ARMC;
- v) to report to the ARMC any significant risk issues evaluated by the RMU and/or major changes proposed by RMU; and
- vi) to recommend, if necessary, the engagement of external professional advisors/experts to advise on risk management matters.

#### **4. Procedure of the RMU**

The members of the RMU may call for the committee meeting which they deem necessary.

The notice of such meeting shall be given at least seven (7) days before the meetings unless such requirement is waived by the members present in the meeting.

The voting and proceedings of such meeting shall be on show of hands. The Chairman shall have a casting vote.

Minutes shall be maintained by the RMU and be available for inspection during working hours at the request of the members.

**5. Quorum**

Two (2) members shall be the quorum of the meeting.

**6. Frequency of Meetings**

The RMU has been established at the Group level which shall meet at least two (2) times in a financial year.

**-End-**

## APPENDIX D

### TERMS OF REFERENCE OF NOMINATION COMMITTEE

#### 1. Objectives

The Nomination Committee (“NC” or “the Committee”) is delegated by the Board of Directors to identify and recommend to the latter, orientate new Directors. The Committee is also charged to assess the effectiveness of the Board (and the Board Committees) as a whole and the incumbent Directors, including the Independent Non-Executive Directors.

#### 2. Memberships

The NC shall be appointed by the Board of Directors of the Company from amongst the Board and shall comprise no fewer than three (3) members, composed exclusively of Non-Executive Directors, a majority of whom are independent. The Committee shall be chaired by an Independent Non-Executive Director. Appointment of a member of the Committee is the prerogative of the Board, after having considered his integrity and objectivity.

Removal of a member of the Committee is also the prerogative of the Board.

In the event of any vacancy resulting in the non-compliance with the above, the Board shall within three (3) months of that event, fill the vacancy.

The Chairman of NC shall be appointed by the Board.

The terms of office for the NC should be reviewed by the Board at least once every three (3) financial years.

The Company Secretary shall be the Secretary of the Committee.

#### 3. Authority

The Committee is authorised by the Board to propose new nominees for the Board and to assess the Directors on an on-going basis. The actual decision as to who shall be nominated should be the responsibility of the full Board after considering the recommendations of such a committee.

#### 4. Functions of the Committee

- (a) To review the composition and size of our Board and determine the criteria for membership on our Board, which may include, among other criteria, issues of character, judgment, independence, diversity, age, expertise, corporate experience, length of service and other commitments;
- (b) To identify, consider and select, or recommend for the selection of the Board, candidates to fill new positions or vacancies on the Board, and review any candidates recommended by stockholders, provided that such recommendations are submitted in writing to the Secretary of our Company, and include, among other things, the recommended candidate's name, biographical data and qualifications, and that such recommendations are otherwise made in compliance with the Company's Constitution and its shareholder nominations and recommendations policy;



- (c) To identify and nominate for the approval of the Board, candidates to fill Board vacancies or strengthen the Board's composition as and when they arise. Before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment;
- (d) To assist the Board to assess and evaluate circumstances where a Director involvement outside the Group may give rise to a potential conflict of interest with the Group's businesses, upon receiving the declaration of the same from the Director and thereafter, to inform the Audit and Risk Management Committee of the same. After deliberation with the Audit and Risk Management Committee, to recommend to the Board on the necessary actions to be taken in the circumstances where there is a conflict of interest;
- (e) In identifying suitable candidates, the NC shall:
  - i) consider open advertising or the services of external advisers to facilitate the search;
  - ii) consider candidates from a wide range of backgrounds; and
  - iii) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender and availability of time to devote to the position.
- (f) To evaluate the performance of individual members of the Board eligible for reelection, and select, or recommend for the selection of the Board, the director nominees for election to the Board by the stockholders at the annual meeting;
- (g) To assess the independence of the Independent Directors annually, and when any new interest or relationship develops and confirm the conduct of this assessment in the annual report of the Company and in any notice convening a general meeting seeking approval for the appointment or re-appointment of Independent Directors;
- (h) To review the fulfilment of Directors' training and disclose details in the annual report as appropriate;
- (i) To review with the Group Managing Director and/or the Executive Director, their goals and objectives and to assess their performance against these objective as well as their contribution to the corporate strategy;
- (j) To give full consideration to succession planning for Directors and key senior management, taking into account the challenges and opportunities faced by the Company, and the required skills and expertise that are needed by the Board in future;
- (k) To review periodically the composition of each committee of the Board and make recommendations to the Board for the creation of additional committees or the change in mandate or dissolution of committees; and
- (l) To review the term of office and performance of all the Board Committees, particularly the Audit and Risk Management Committee and each of its members annually to determine whether such Audit and Risk Management Committee and members have carried out their duties in accordance with their terms of reference.

**5. Procedure of the Committee**

The members of the NC may call for the committee meeting which they deem necessary. The notice of such meeting shall be given at least seven (7) days before the meetings unless such requirement is waived by the members present in the meeting.

The voting and proceedings of such meeting shall be on show of hands. The Chairman shall have a casting vote.

Minutes shall be maintained by the Company Secretary and be available for inspection during working hours at the request of the members.

**6. Quorum**

Two (2) members shall be the quorum of the meeting.

**7. Frequency of Meetings**

The NC shall meet at least once in a financial year and such additional meetings as the Chairman shall decide in order to fulfill its duties.

**-End-**

## APPENDIX E

### TERMS OF REFERENCE OF REMUNERATION COMMITTEE

#### 1. Objectives

The Remuneration Committee's ("RC" or "the Committee") primary responsibility is to review and recommend a remuneration framework and terms of employment for all Executive Directors ("EDs") and Key Senior Management ("SMs") of Orgabio Holdings Berhad ("ORGABIO" or "the Company") and its subsidiaries (the "Group"), for the Board's approval.

The framework shall:

- (a) Support the Group's strategies and long-term vision; and
- (b) Provide the motivational incentives to EDs and SMs, taking into consideration

factors such as best practices, stakeholders' view and the market at large and the performance of the individual.

#### 2. Memberships

The Committee shall be appointed by the Board of Directors of the Company from amongst the Board and shall consist of wholly Non-Executive Directors, a majority of whom are independent.

Appointment of a member of the Committee is the prerogative of the Board, after having considered his integrity and objectivity.

Removal of a member of the Committee is also the prerogative of the Board.

In the event of any vacancy resulting in the non-compliance with the above, the Board shall within three (3) months of that event, fill the vacancy.

The Chairman of RC shall be appointed by the Board.

The terms of office for the RC should be reviewed by the Board of Directors at least once every three (3) financial years.

The Company Secretary shall be the Secretary of the Committee.

#### 3. Authority

The Committee is authorised by the Board to recommend to the Board the remuneration of each of the Directors and SMs, obtaining outside independent professional advice as necessary.

The individual directors should play no part in decisions on their own remuneration.

**4. Functions of the Committee**

- (a) To establish and recommend to the Board, the remuneration package for EDs and SMs such as the terms of employment or contract of employment/service, benefit, pension, incentive scheme, bonuses, fees, expenses, compensation payable on termination of the service contract by the Company and/or the Group;
- (b) To review and recommend to the Board the remuneration packages of Non-Executive Directors for shareholders' approval at the Annual General Meeting; and
- (c) To consider other remunerations or rewards to retain and attract Directors and key senior management.

**5. Procedure of the Committee**

The members of the RC may call for the Committee meeting which they deem necessary.

The notice of such meeting shall be given at least seven (7) days before the meetings unless such requirement is waived by the members present in the meeting.

The voting and proceedings of such meeting shall be on show of hands. The Chairman shall have a casting vote.

Minutes shall be maintained by the Company Secretary and be available for inspection during working hours at the request of the members.

**6. Quorum**

Two (2) members shall be the quorum of the meeting.

**7. Frequency of Meetings**

The RC shall meet at least once in a financial year and such additional meetings as the Chairman shall decide in order to fulfill its duties.

**-End-**

## **APPENDIX F**

### **PROCEDURES ON ACCESS OF INFORMATION**

#### **A. INFORMATION SEEKING PROTOCOL**

Directors will adhere to the following protocol when seeking information:

- i) Approach the Group Managing Director("GMD")/Executive Director/Company Secretary to request the required data;
- ii) If the data is not forthcoming, approach the Chairman; and
- iii) If the information is still not forthcoming, write a letter to all Board members and the GMD/Executive Director detailing the information that is required, purpose of information, and who the director intends to approach in order to obtain the information.

#### **B. INSPECTION OF MINUTES AND OTHER DOCUMENTATION**

- i) Requisition to inspect minutes or other documents/records must be made in written form and be submitted to the Company Secretary at least three (3) working days from the date of inspection.
- ii) Each requisition must state clearly the type of documents, date of publication and purpose of inspection.
- iii) Inspection must be done within the office premise and no extraction of documents in its physical form is allowed out of office premise.
- iv) Photocopying of the minutes is allowed upon request.
- v) The Company Secretary or their nominee will notify the Director once the said documents or records are ready for inspection.
- vi) Any changes to the date of inspection must be notified within twenty-four (24) hours prior to the date of inspection.

#### **C. ACCESS TO PROFESSIONAL ADVICE**

- i) A Director of the Company is expected to exercise considered and independent judgment on the matters before them. To discharge this expectation, a Director may from time to time need to seek independent, expert opinion on matters before them.
- ii) Prior to seeking professional advice, a Director shall inform the Chairman about the nature of the opinion or information sought, the reason for the advice, the terms of reference for the advice and the estimated cost of the advice and obtain the approval of the Chairman.
- iii) If the Chairman is seeking the advice, he will need to seek the approval of the Board. Where more than one (1) Director is seeking advice about a single issue, the Chairman shall endeavour to coordinate the provision of the advice.

#### **D. OFFICE ADDRESS AND OPERATING HOURS**

##### **ORGABIO HOLDINGS BERHAD**

Lot 83, Jalan Kesuma 2/3, Phase 5D, Bandar Tasik Kesuma Tehno Park  
43700 Beranang, Selangor Darul Ehsan

General Line : 03-8079 1878

Email Address : [enquiry@orgabio.com](mailto:enquiry@orgabio.com)

Office hours : 8.30a.m. to 6.00 p.m. (Monday to Friday)

: 8.30 a.m. to 1.00 p.m. (Saturday)

Lunch hours : 12.00 p.m. to 1.00 p.m.