

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7148
COMPANY NAME : Duopharma Biotech Berhad
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors (the "Board") of Duopharma Biotech Berhad ("Duopharma Biotech" or the "Company") is aware of its sacrosanct fiduciary duties in providing oversight over Management and the operations of the Company and its subsidiaries (collectively referred to as the "Group"). The Board is responsible in ensuring an efficacious governance architecture is established. To this end, the Board has codified a corporate governance framework that outlines transparent and effective decision-making procedures. The key roles and responsibilities of the Board are set out within the Board Charter which is made available on the Company's website (Board Charter).</p> <p>As part of the overall governance structure, the Board has empowered the Board Committees with specified delegated oversight authority. There are currently five (5) Board Committees, namely:</p> <ul style="list-style-type: none">i) the Audit and Integrity Committee ("AIC");ii) the Nomination and Remuneration Committee ("NRC");iii) the Risk Management and Sustainability Committee ("RMSC");iv) the Halal Committee ("HC"); andv) the Medical Advisory Committee ("MAC"). <p>The Board Committees are guided by their respective Terms of Reference ("ToR") which are made available on the Company's website (Terms of Reference).</p> <p>The work done by the Board Committees in discharging and meeting their functions, duties and responsibilities are further elucidated in the respective Board Committee reports, as contained within the Annual Report 2021.</p> <p>As custodians of the Company, the Board is responsible for devising strategic targets to cement a long-term, sustainable growth trajectory. To this end, the Board reviews, challenges and approves the strategic multi-year plans which are put forth by Senior Management. In 2021, the Board and Senior Management reviewed the Group's strategy in light of the ever-present risks associated with the COVID-19 pandemic.</p>

As with the preceding year, the Board had convened strategic meetings to deliberate on the impact of the pandemic on the healthcare industry as a whole and to understand the key trends in adapting to the 'new normal'.

During the year under review, seventeen (17) Board meetings were convened to deliberate on the advancement of strategic plans to ensure alignment with the long-term objectives of the Company. The Board also regularly receives reports, updates and recommendations from the Board Committees and Senior Management on the governance, business performance and overall development of the Company. As with the preceding year, the Board was able to utilise digital technology in maintaining effective virtual information flow, made possible by the Group's established information technology infrastructure.

The Board is cognisant that it sets the tone at the top by promoting a culture of corporate governance and bears some responsibility to "walk the talk" in such a manner that reinforces ethical and professional behaviour premised on the Company's established principles. To this end, the Board ensures the core principles of Duopharma Biotech form the bedrock upon which the Company functions. The Board has established a series of integrity policies to inculcate good governance culture which include the following:

- Code of Conduct;
- Directors Code of Best Practice;
- Anti-Bribery & Anti-Corruption Policy;
- Anti-Bribery Management System;
- Whistle-Blowing Policy;
- Anti-Money Laundering & Counter Financing Terrorism Policy;
- Business Ethics Policy;
- Declaration of Interest Policy;
- Gifts & Hospitality Policy;
- Honorarium Guidelines;
- Integrity Pact Policy;
- Investigation Procedure; and
- Sponsorship Policy.

Further signifying the Group's zero tolerance stance against corrupt practices, Duopharma Biotech had on 9 July 2019 signed the Corporate Integrity Pledge with the Malaysian Anti-Corruption Commission ("MACC").

The Board has delegated responsibility for its day-to-day operations of Duopharma Biotech to Senior Management who is led by the Group Managing Director ("GMD"). To ensure the Company's businesses are properly managed and measured against the established goals and targets, the performance of Senior Management is assessed with reference to several key performance indicators that are aligned with the Group's strategic goals.

The Board and Senior Management have joint responsibility and accountability over the Company's risk management and internal

	<p>control architecture. The Board has established and continuously monitors the effectiveness of these internal control systems in enabling the Company to respond appropriately to significant business, operational, financial, compliance and other risks. On top of this, Senior Management has in place mechanisms to safeguard assets from inappropriate use or from loss and fraud by ensuring the risks and liabilities are identified and managed. The RMSC supports the Board in monitoring the Group's risk exposures, operational effectiveness of the risk management and internal control systems. As part of its oversight on integrity matters, the AIC also has oversight over the Group's exposure to corruption risk.</p> <p>The Board gives high priority to maintaining effective communication and dialogue with all stakeholders. As with the preceding year, the Company's Investor Relations team continued to engage stakeholders virtually to keep them informed of strategic plans and other notable developments. The Company also provides an informative and intuitively designed website with regularly updated information to ensure ease of access and transparency to stakeholders. In 2021, the Company held its second virtual Annual General Meeting ("AGM") as well as a virtual Meeting of Members on the proposed bonus issue to ensure effective, transparent and regular communication with shareholders. On top of these various forms of engagement, the Company had also conducted four (4) investor relations engagement sessions during the year under review. Virtual townhall sessions with the Group's employees were also conducted, typically after the Company's quarterly statements have been approved by the Board and announced to the Exchange. These townhalls provide an opportunity for the Company to engage with its employees including to share the latest financial performance of the Group, human resource updates, and other initiatives, strategies and achievements. Employees are encouraged to ask questions or provide feedback during these townhall sessions.</p> <p>Further details on shareholder and investor-specific engagement activities are outlined within the Shareholders and Investors Communication Policy, made available on the Company's website (Shareholders and Investors Communication Policy).</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is led by Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir, a Non-Independent, Non-Executive Chairman. Tan Sri Siti Sa'diah was appointed to the Board on 5 April 2016 and was appointed as Chairman of the Board on 28 December 2017. The Chairman is responsible for setting the overall strategic discourse of the Board, ensuring effective conduct and performance as well as providing leadership in driving corporate governance and compliance strategies.</p> <p>In fulfilling this role, the Chairman's responsibilities include the following:</p> <ul style="list-style-type: none">• Leading the Board in establishing and monitoring good corporate governance practices;• Guiding and mediating the Board's actions with respect to the Company's priorities and governance concerns;• Setting meeting agendas and ensuring Directors receive complete, accurate and timely meeting materials;• Leading Board meetings and discussions which include encouraging all Directors to actively participate and contribution in meeting discussions whilst allowing dissenting views to be freely expressed;• Facilitating information flow between the Board and Management on a timely basis with assistance from the Company Secretary;• Providing leadership in establishing and maintaining high standards of corporate governance practices;• Ensuring continuous and effective communication with stakeholders and ensuring feedback and input received from stakeholders are availed to the Board;• Undertaking investor relations and public relations activities together with the GMD to ensure effective communication with shareholders and other stakeholders; and• Acting as the spokesperson for the Company at general meetings and in the reporting of performance and profit figures, together with the GMD. <p>The detailed roles and responsibilities of the Chairman are further encapsulated within the Board Charter which is made available on the Company's website (Board Charter).</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company’s leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is cognisant of the multifarious benefits from exercising objective oversight over Management in safeguarding the interests of the Group and stakeholders. To this end, the Board ensures a governance architecture characterised by a clear demarcation between the roles and scopes of responsibility between the Chairman and the GMD. This is to ensure an effective balance of authority and to prevent undue concentration of power being wielded by any single individual, thereby detrimentally impacting the independence of deliberations and decision-making processes.</p> <p>The positions of Chairman and the GMD are held by different individuals, in line with the stipulated practice. The position of Chairman is held by Tan Sri Datin Paduka Siti Sa’diah Binti Sh Bakir while the position of GMD is held by Encik Leonard Ariff Bin Abdul Shatar. The Chairman does not currently and has never taken on any executive position in the Company.</p> <p>The Chairman and GMD play distinctive functions within the leadership apparatus of the Group. Specifically, the Chairman is responsible for providing leadership to the Board and providing oversight on Management whilst the GMD manages the day-to-day business operations of the Company and implements directives as imparted by the Board.</p> <p>The respective duties and responsibilities of the Chairman and the GMD are encapsulated within the Board Charter, made available on the Company website (Board Charter).</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Chairman, Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir is presently not a member of any of the Board Committees including the AIC and NRC.</p> <p>The Board is cognisant that having the same individual assuming the positions of Chairman of the Board as well as Chairman of the AIC and/or NRC may give rise to excessive self-review risks. This may have the effect of compromising the impartiality of Board-level deliberations.</p> <p>Application of this practice is reflective of the Company's unwavering commitment to ensuring effective check and balance safeguards are in place and that Board-level deliberations, including those of the Board Committees are premised on the central tenets of independence and objectivity.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	: Applied
Explanation on application of the practice	<p>The Board is supported by a suitably qualified and competent Group Company Secretary, namely, Encik Ibrahim Hussin Salleh. Being a company secretary licensed by the Companies Commission of Malaysia, the appointment of Encik Ibrahim thereby meets the requirement as enshrined within Section 235 (2) of the Companies Act 2016.</p> <p>Encik Ibrahim has accumulated vast legal and corporate secretarial experience throughout his career and holds the following qualifications:</p> <ul style="list-style-type: none">• Master of Laws (LL.M), University of Malaya, Malaysia• Bachelor of Laws (LL.B) (Hons.), International Islamic University Malaysia, Malaysia• Advocate & Solicitor of the High Court of Malaya• Company Secretary License, Companies Commission of Malaysia• Qualified Risk Director (QRD) Program, Institute of Enterprise Risk Practitioners• Senior Management Development Program, Harvard Business School, United States of America <p>The Group Company Secretary plays a crucial role in supporting the Board in upholding the highest standards of corporate governance. As a counsel to the Board, Encik Ibrahim appraises the Board with periodical updates covering regulatory developments and provides input to assist the Board in interpreting and applying pertinent corporate governance promulgations.</p> <p>All members of the Board may take counsel from the Group Company Secretary on matters relating to the Group to assist them in the performance of their duties. To this end, Encik Ibrahim provides support in instituting a smooth flow of information at the Board-level.</p> <p>On top of this, Encik Ibrahim also plays the role of conduit to stakeholders and oversees the Company's efforts in keeping various stakeholder groups apprised on the Company's corporate governance initiatives.</p> <p>The Group Company Secretary provides secretarial services for the Company's subsidiary companies that are incorporated in Malaysia by serving as the company secretary for those companies. In addition, Encik Ibrahim provides oversight of the secretarial functions for</p>

	<p>subsidiary companies incorporated in other countries, namely Duopharma (Singapore) Pte. Ltd. and DB (Philippines), Inc.</p> <p>As an effort to stay updated with the latest developments in the corporate governance realm, the Group Company Secretary undergoes consistent and relevant professional development by attending relevant trainings and programmes.</p> <p>The Group Company Secretary supports the Chairman in facilitating the training for the Directors as well as the design and delivery of Directors' training programmes, including training of executives of the Group selected by the Board to serve as directors of subsidiary companies within the Group prior to their appointment as directors.</p> <p>The Company Secretary plays an important role for the AGM and other Meeting of Members ("MOM"), ensuring the meetings are conducted smoothly and with due regard to the Company's policies.</p> <p>Whilst Encik Ibrahim holds the position of the Group Company Secretary as well as the Company's Chief Legal Officer, it should be noted that the element of impartiality in the corporate governance advisory role remains intact as relevant safeguards have been put in place. As an example, the Company Secretary does not act as an advocate for the Company on litigation matters and court proceedings.</p> <p>In tandem with the role being the focal point of contact of the Board, the Group Company Secretary has a direct functional reporting line to the Chairman and has been accorded with appropriate standing and authority to enable discharging of duties in an impartial and effective manner. The appointment or removal of the Group Company Secretary is the prerogative of the Board.</p> <p>The roles and responsibilities of the Company Secretary are further outlined within the Board Charter, made available on the Company website (Board Charter).</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	: Applied
Explanation on application of the practice	<p>The Board is cognisant of the importance of information supply and its role in promoting informed Board deliberations. To this end, the Chairman, together with Senior Management and the Group Company Secretary, are given responsibility in ensuring that Directors receive adequate and timely information prior to Board and Board Committee meetings.</p> <p>In order to facilitate participation by all Directors, the annual Board meeting calendar is circulated in advance before the beginning of each new financial year. The calendar provides dates of key events throughout the year including Board and Board Committee meetings, Board trainings, strategy retreats, the AGM, target dates for the announcement of quarterly results and major conferences.</p> <p>The Company had also incorporated digital technology to further facilitate the efficacious dissemination of information. Specifically, the Company has utilised BoardPac, an electronic meeting management software, equipped with a portal which affords confidentiality and security, combined with a comprehensive set of user-friendly functionalities such as annotation features. Additionally, the Directors are supplied with an Apple iPad to allow for instantaneous and eco-friendly electronic access at all times. The Directors may also retrieve any retrospective information via BoardPac's archival system.</p> <p>As stipulated by the Board Charter, all meeting materials are to be distributed to the Directors within five (5) days prior to the relevant Board or Board Committee meeting. The Chairman is responsible for ensuring that all Directors receive and are properly briefed on issues arising at Board meetings and that the Directors have complete and timely access to relevant information.</p> <p>The meeting materials provided to Directors include a formal meeting agenda as well as Board papers prepared by Management. The Board papers, include, amongst others:</p> <ul style="list-style-type: none">• Minutes of Meetings/Reports of all Board Committees;• Business plans and strategic direction;• Current operating and business issues;• Annual budget reviews, forecasts and projections;• Quarterly and annual financial reports;• Potential acquisitions and disposal of assets of substantial value;• Major investment and financial decisions;• Key policies, procedures and authority limits;

	<ul style="list-style-type: none"> • Reports, advices and opinions of external consultants/advisors as had been sought for; and • Internal Audit Reports and updates on Integrity matters. <p>Deliberations of the Board and Board Committee are documented by the Group Company Secretary who highlights key deliberations, rationales and approaches, concerns from individual Directors and abstentions from voting. The Group Company Secretary aims to circulate the meeting minutes one month subsequent to the conclusion of proceedings.</p> <p>The Group Company Secretary would also notify and initiate follow-ups with Senior Management on actions to be taken or further updates to be provided to the Board, if any. The updates and action plans for the items identified as matters arising would be further discussed at the next Board or Board Committee meeting.</p> <p>Formal channels are usefully augmented and supplemented by regular informal dialogue between non-executive members of the Board and Management on matters relating to the Company's business. Directors are entitled to request and receive supplementary information in order to be fully briefed before the meeting.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website.

The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter is the guiding literature that supports the Board in the fulfilment of its roles, duties and responsibilities. The Board Charter embodies the Company's unwavering stance towards adopting the highest standards of corporate governance and is designed to provide guidance and clarity to Directors and Management with regard to the respective roles and responsibilities and matters reserved for the Board.</p> <p>The Board Charter outlines, amongst others the following matters:</p> <ul style="list-style-type: none">• Key principles, values and ethos of Duopharma Biotech;• Board composition;• Board's role and responsibilities;• Separation of function between the Chairman and the GMD;• Board operating practices;• Succession planning and talent management plans;• Policies and procedures on Board evaluation;• Board access to information, advice and training; and• Ethical standards, integrity, legal duties and confidentiality expected from the Directors. <p>The Board periodically reviews the Board Charter and the ToR of the Board Committees. The said documents were reviewed and approved by the Board in tail-end of 2018. The ToRs of the RMSC and AIC were further revised in 2019 to refine the limits of authority of the RMSC, AIC and the Group Managing Director over certain specified matters. In 2020, the ToR of the AIC was further revised to enhance its oversight role relating to integrity and anti-corruption matters in conjunction with the coming into force of Section 17A of the Malaysian Anti-Corruption Act 2009. The Board also approved the ToR of the then newly establishment MAC.</p> <p>The Board Charter is made available on the Company's website (Board Charter).</p>
	:	

Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to pursuing an ethical business culture that permeates across the Group's operations and is in accordance with all prescribed legal and ethical promulgations. To this end, the Board has formalised a Code of Conduct which outlines the set of values and expected standards of professional conduct to be observed by Directors and employees alike.</p> <p>The Code of Conduct was formulated at the Group level and is premised upon the Group's six core values of Passion, Excellence, Teamwork, Integrity, Responsible and Respect ("PETIRR") as well as the Group's vision and mission. The Code of Conduct covers the following overarching areas:</p> <ul style="list-style-type: none">• Conducting business ethically, fairly and with honesty;• Complying with laws including abuse of power, corruption, insider trading and money laundering;• Providing quality and safe products;• Protecting the Company's assets and information;• Maintaining complete and accurate business records; and• Respecting others in the workplace and society. <p>As for the governance architecture that seeks to institutionalise the Code of Conduct, the Group's Internal Audit and Integrity function assists the Board and the AIC to develop and implement the Code of Conduct.</p> <p>In discharging its responsibilities, the Board is guided by the Code of Conduct and principles contained within the following internal policies and guidelines:</p> <ul style="list-style-type: none">• Code of Conduct;• Directors Code of Best Practice;• Anti-Bribery & Anti-Corruption Policy;• Anti-Bribery Management System;• Whistle-Blowing Policy;• Anti-Money Laundering & Counter Financing Terrorism Policy;• Business Ethics Policy;• Declaration of Interest Policy;

	<ul style="list-style-type: none"> • Gifts & Hospitality Policy; • Honorary Guidelines; • Integrity Pact Policy; • Investigation Procedure; and • Sponsorship Policy. <p>Feedback is sought from various stakeholders, including Senior Management and the Board to evaluate the effectiveness of the overall compliance programme and noteworthy gaps, if any.</p> <p>The Code of Conduct is subjected to periodic reviews by the Board to ensure it is kept current and relevant.</p> <p>The guidelines listed above as well as the Code of Conduct are made available on the Company's website (Corporate Governance and Code of Conduct).</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	: Applied
Explanation on application of the practice	<p>The Company's Whistleblowing Policy provides a medium for employees and other stakeholders to report bona-fide concerns in relation to the breach of legal obligations, miscarriages of justice, danger to health and safety or to the environment and the cover-up of any of the said practices within the operations of the Company.</p> <p>The Whistleblowing Policy makes it clear that concerns can be raised without fear of retaliation, recrimination, discrimination or disadvantage to the employee or stakeholder that reports such concerns.</p> <p>Reports from whistle-blowers are treated with utmost confidentiality and are thoroughly investigated. Specifically, the AIC provides oversight on any investigations undertaken and their outcomes. Concerns can also be further escalated to the Chairman, the Malaysian Anti-Corruption Commission ("MACC") or other relevant authorities.</p> <p>The Company has established a whistleblowing channel for Business Associates made available through the corporate website. As a key requirement for the MS ISO 37001:2016 accreditation, the Company communicates with all Business Associates on its available Whistleblowing channels during Company-organised Integrity Briefing Sessions. In 2021, all non-compliance complaints received via the whistleblowing system were investigated and actions have been taken, where necessary.</p> <p>Below are Duopharma Biotech's Whistleblowing avenues:</p> <ul style="list-style-type: none">• In writing to the Head of Group Internal Audit & Integrity;• Official Email for Whistleblowing at seehearspeakup@gmail.com;• Official Whistleblowing line (via phone call or text message) at +6017-2941094;• Official Secured Website Whistleblowing Form at Duopharma Biotech Whistle-Blowing Speak-Up Pharma• In writing to the Chairman of the Company;• In writing to the Chairman of the AIC of the Company; or• MACC or other relevant authority. <p>Employees and external stakeholders such as suppliers, customers and contractors may use the avenues as set out in the Whistleblowing Policy to report any concern or complaint regarding concerns including</p>

	<p>questionable accounting or auditing, inadequate internal controls, improper disclosure, conflicts of interest, insider trading, collusion with competitors, serious breaches of the Group's policy, unsafe work practices or any other matters involving fraud, corruption and employee misconduct.</p> <p>As with preceding years and in-line with directives issued by the Malaysian Government, information on any whistleblowing cases are duly reported to the MACC on a half yearly basis.</p> <p>The Whistleblowing policy is made available on the Company's website (Whistleblowing Policy).</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>As an organisation, Duopharma Biotech is vehemently steadfast in its commitment to the sustainability agenda. In line with this, the Company has instituted a robust and all-encompassing sustainability framework which seeks to cover the Company's multifaceted operational footprint.</p> <p>At the management-level, Duopharma Biotech has set up a dedicated Sustainability Management Council, comprising of the Heads of Departments and process owners from the different functions within the Company. The Sustainability Management Council is led by the Chief Manufacturing Officer who has direct reporting lines to the Board-level RMSC on a quarterly basis, ensuring the RMSC's directives are appropriately addressed. The Sustainability Management Council meets every two (2) months to discuss progress reports on sustainability-related agenda items.</p> <p>The Company's dedicated Sustainability Department also plays a pivotal role in ensuring sustainability matters are given due consideration at the management-level. Specifically, the Sustainability Department is responsible for overseeing overall sustainability matters and for creating greater awareness on sustainability among employees. The Sustainability Department publishes a monthly internal newsletter on sustainability, and leverages the yearly Halal, Integrity and Sustainability ("HIS") program to create awareness of the need to preserve and protect the environment while promoting sustainability in general. It also ensures that sustainability matters feature on the agendas of monthly department briefings as well as the Group's quarterly townhalls. In addition, a sustainability specialist from the Sustainability Department conducts periodical employee training covering sustainability matters.</p> <p>At the Board-level, the Company's sustainability efforts are overseen by the RMSC. The RMSC ensures the effective management of sustainability practices within the Group. The RMSC supervises the implementation of sustainability strategies, which are aligned with risk management processes to ensure a common design and purpose in</p>

	<p>all actions and decisions. In 2021, the RMSC was helmed by the following Directors:</p> <table border="1" data-bbox="560 286 1406 815"> <thead> <tr> <th data-bbox="560 286 842 353">Name</th> <th data-bbox="842 286 1125 353">Designation</th> <th data-bbox="1125 286 1406 353">Role within RMSC</th> </tr> </thead> <tbody> <tr> <td data-bbox="560 353 842 488">Datuk Mohd Radzif Bin Mohd Yunus</td> <td data-bbox="842 353 1125 488">Non-Independent, Non-Executive Director</td> <td data-bbox="1125 353 1406 488">Chairman</td> </tr> <tr> <td data-bbox="560 488 842 584">*Dato' Eisah Binti A Rahman</td> <td data-bbox="842 488 1125 584">Independent, Non-Executive Director</td> <td data-bbox="1125 488 1406 584">Member</td> </tr> <tr> <td data-bbox="560 584 842 719">**Dato' Mohamad Kamarudin Bin Hassan</td> <td data-bbox="842 584 1125 719">Senior Independent, Non-Executive Director</td> <td data-bbox="1125 584 1406 719">Member</td> </tr> <tr> <td data-bbox="560 719 842 815">Zaiton Binti Jamaluddin</td> <td data-bbox="842 719 1125 815">Independent, Non-Executive Director</td> <td data-bbox="1125 719 1406 815">Member</td> </tr> </tbody> </table> <p data-bbox="560 815 1406 875">* Resigned on 17 August 2021 pursuant to review of membership of the RMSC by the Nomination and Remuneration Committee and the Board.</p> <p data-bbox="560 875 1406 936">** Appointed w.e.f. 17 August 2021 pursuant to review of membership of the RMSC by the NRC and the Board.</p> <p data-bbox="560 958 1406 1099">Further details on the scope of responsibilities of the RMSC are elucidated within the Committee's ToR, made available on the Company's website (Terms of Reference of the Risk Management and Sustainability Committee).</p>	Name	Designation	Role within RMSC	Datuk Mohd Radzif Bin Mohd Yunus	Non-Independent, Non-Executive Director	Chairman	*Dato' Eisah Binti A Rahman	Independent, Non-Executive Director	Member	**Dato' Mohamad Kamarudin Bin Hassan	Senior Independent, Non-Executive Director	Member	Zaiton Binti Jamaluddin	Independent, Non-Executive Director	Member
Name	Designation	Role within RMSC														
Datuk Mohd Radzif Bin Mohd Yunus	Non-Independent, Non-Executive Director	Chairman														
*Dato' Eisah Binti A Rahman	Independent, Non-Executive Director	Member														
**Dato' Mohamad Kamarudin Bin Hassan	Senior Independent, Non-Executive Director	Member														
Zaiton Binti Jamaluddin	Independent, Non-Executive Director	Member														
<p>Explanation for departure :</p>																
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>																
<p>Measure :</p>																
<p>Timeframe :</p>																

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>Through comprehensive analysis conducted, the Company has identified a group of twelve (12) multifarious stakeholder groups that are able to influence the Company's operations, reputational standing as well as those who are impacted by the Company's operations. The identified stakeholder groups comprise of the following:</p> <ol style="list-style-type: none"> 1. Shareholders; 2. Local communities; 3. Customers; 4. Healthcare professionals; 5. Industry associations; 6. Government/regulatory authorities; 7. Employees; 8. Suppliers and other business partners; 9. Media; 10. Non-governmental organisations (NGOs); 11. Financial community; and 12. Scientific community. <p>The Board is cognisant of the fact that Duopharma Biotech's internal and external stakeholders should be appraised with transparent and clear information. Through established engagement platforms, the Company keeps stakeholders updated on sustainability strategies, priorities, targets as well as actual performance vis-à-vis these targets.</p> <p>To this end and as with preceding financial years, Duopharma Biotech has included a Sustainability Statement in the Annual Report and a stand-alone Sustainability Report that communicates the Company's commitment and blueprint on sustainability, as well as identified material sustainability risks, mitigating actions and opportunities.</p> <p>The preparation of the Sustainability Report is guided by Global Reporting Initiative ("GRI") Standards: Core Option and Bursa Malaysia's Sustainability Reporting Guide. The materiality assessment process prescribed within the GRI Standards have also been adopted to allow for identification of material sustainability risks. Where possible, the Company has endeavoured to quantify sustainability targets and benchmarked actual performance against these targets.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board ensures consistent effort in keeping apprised with related and germane sustainability developments by way of formal training sessions, presentation of updates to promulgations, structured reading and deliberations.</p> <p>During the financial year under review, the Board members on their volition attended webinars covering a wide range of sustainability topics, including on the subject matter of climate change.</p> <p>In addition, Management and the Group Company Secretary apprised the Board on the latest sustainability developments through presentations and key considerations relating to sustainability/environmental, social and governance (“ESG”) are also embedded in the proposals and papers escalated for the Board’s attention.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>As part of the Company's Board Effectiveness Evaluation ("BEE") exercise for 2021, the Directors were formally assessed on their performance with regard to material sustainability risks and opportunities. Specifically, the questionnaire modality deployed through a self and peer evaluation provided extensive coverage on the following sustainability related areas:</p> <ul style="list-style-type: none">• presence of a business strategy as underpinned by ESG considerations;• rigour of discussions surrounding ESG matters;• ESG literacy of the Board; and• oversight and monitoring of sustainability targets and goals. <p>Within the realm of remuneration, the Board adopts a philosophy that encourages a culture of organisational, team and individual performance and significantly incentivising individuals who deliver sustained performance consistent with strategic goals.</p> <p>To this end, compensation is pegged against sustainability considerations, thereby forming a nexus between executive remuneration and the achievement of sustainability-linked Key Performance Indicators ("KPIs"). The sustainability-linked KPIs contain a balance of short-term and long-term dimensions and they are benchmarked against industry norms to allow for sufficient comparability and consistency.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
Application	: Adopted
Explanation on adoption of the practice	: Pursuant to the inclusion of Step Up Practice 4.5 into the updated MCCG 2021, the Board formally recorded during the year under review that Duopharma Biotech's Chief Manufacturing Officer ("CMO") that heads, among others, the Group's Sustainability function, be identified as the designated person within Management to provide dedicated focus to manage sustainability strategically. As yet another testament to Duopharma Biotech's commitment to sustainability, the CMO had already been executing this role even before the Step Up Practice 4.5 was introduced into the MCCG. The CMO is supported by staff of the Sustainability Department. The Sustainability Working Council comprises various department heads and process owners who report to the CMO who then escalates matters to the Board RMSC as well as the Board. The actions or measures undertaken pursuant to the aforesaid role in the financial year are further outlined within the Sustainability Statement in the Annual Report 2021 as well as the Company's stand-alone Sustainability Report 2021, both made available on the Company's website (Annual Report 2021 and Sustainability Report 2021).

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board through the NRC has codified the need for periodic refreshing of Board composition in line with the strategic thrusts of the Company as well as aspirational practices of better governance as put forth by the MCCG.</p> <p>Succession planning remains a key cornerstone of the NRC's remit. As explicitly outlined within the ToR, the NRC is tasked with ensuring an appropriate succession framework and plan is in place at the Board-level. On top of this, the NRC also plays a role in safeguarding the impartiality of Independent Directors. Specifically, the NRC stays vigilant for indicators of erosion of independence among long-serving Independent Directors. The tenure of individual Directors is also reviewed by the NRC, in accordance with better practice promulgations.</p> <p>The ToR also formalises the need for Director nomination and re-election to be contingent on individual character, experience, integrity, competence and ability to devote time, with due regard given to diversity along the lines of skills, experience, age, cultural background and gender.</p> <p>During the year under review, the NRC undertook evaluation of and recommended a candidate for new appointment as a Non-Independent Non-Executive Director of the Company as well as candidates for re-election as Directors at the AGM 2021. The NRC also reviewed the composition of the Board Committees.</p> <p>As an added responsibility, the NRC oversees the undertaking of Duopharma Biotech's annual evaluation of the Board, Board Committees and individual Directors (including the evaluation of independence of the Independent Non-Executive Directors).</p> <p>Further details on the NRC's scope of duties are encapsulated within the ToR, made available on the Company's website (Terms of Reference of the Nomination and Remuneration Committee).</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied
Explanation on application of the practice	:	<p>In 2021, the Board comprised of ten (10) Directors, the majority of whom are Independent Directors, thereby applying Practice 5.2 of the MCGG.</p> <p>Breaking down its composition, the Board is made up of the following:</p> <ul style="list-style-type: none"> • One (1) Executive Director; • Three (3) Non-Independent, Non-Executive Directors; • One (1) Senior Independent, Non-Executive Director; and • Five (5) Independent, Non-Executive Directors. <p>In terms of percentages, the composition of the Board can be expressed as follows:</p> <ul style="list-style-type: none"> • Independent Directors – 60% • Non-Independent Directors – 40% <p>As observed, the Company has duly complied with the enumeration put forth by the MCGG, thereby embodying the Company’s unwavering stance towards supporting objective and independent deliberation, review and decision-making at the Board-level.</p> <p>In order to reinforce the central tenet of Board-level independence, the Board’s make-up includes a Senior Independent, Non-Executive Director, namely Dato’ Mohamad Kamarudin Bin Hassan.</p> <p>As the Senior Independent, Non-Executive Director, Dato’ Mohamad Kamarudin serves as a sounding board to the Chairman and acts as a trusted conduit to the Board’s Independent, Non-Executive Directors. Specifically, the presence of Dato’ Mohammad Kamarudin provides an additional avenue for Independent, Non-Executive Directors to voice any opinions or concerns that they believe have not been appropriately considered or addressed by the Board or which they feel may be not be appropriate to raise in open forum.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - Step Up 5.4 adopted	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>									
Application	: Adopted								
Explanation on adoption of the practice	: As the Independent Directors are responsible to provide an objective review in their active oversight role, the Board has meted out measures to avert instances that affect the independence of Independent Directors. To this end, the nine-year tenure limit of Duopharma's Independent Directors is codified in its Board Charter as a formalised and non-negotiable policy stipulation. As of 31 December 2021, the tenure of INEDs are as follows: <table border="1" data-bbox="571 969 1385 1227"><thead><tr><th>Years of Service</th><th>Number of INEDs</th></tr></thead><tbody><tr><td>Less than 3 years</td><td>1</td></tr><tr><td>3 years to 6 years</td><td>4</td></tr><tr><td>6 years to 9 years</td><td>1</td></tr></tbody></table> Other measures include regular reviews and assessment on the independence of the Directors and by remunerating them fairly with due consideration given to their extent of time commitment and responsibilities within Duopharma Biotech. During the financial year ended 31 December 2021, no Independent Director has served on the Board for more than nine years from the date of his/her appointment.	Years of Service	Number of INEDs	Less than 3 years	1	3 years to 6 years	4	6 years to 9 years	1
Years of Service	Number of INEDs								
Less than 3 years	1								
3 years to 6 years	4								
6 years to 9 years	1								

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied																				
Explanation on application of the practice	:	<p>The Board, alongside the NRC undertake an annual review to assess the Board composition with the aim of configuring a diverse board set up that is effective and competent in discharging its duties and responsibilities.</p> <p>Appointments of Directors and Senior Management are carried out via a formal, rigorous and transparent process that is underpinned by meritocracy whilst taking into account considerations on the fronts of skills, experience, background and gender in line with advancing Duopharma Biotech's strategic direction.</p> <p>Currently, the Board comprises members with a diverse yet pertinent professional backgrounds that include experience in pharmaceuticals, medicine, healthcare, civil sector, business development, legal, banking, finance, economics and investment. The Group adopts a meritocracy system which does not discriminate on the grounds of gender, age and ethnicity. The diversity in the age and gender of the Board as at 31 December 2021 is as follows:</p> <table border="1"><thead><tr><th rowspan="2"></th><th colspan="4">Age Group</th><th colspan="2">Gender</th></tr><tr><th>50-59</th><th>60-65</th><th>66-69</th><th>70 - Above</th><th>Male</th><th>Female</th></tr></thead><tbody><tr><th>Number of Directors</th><td>20%</td><td>20%</td><td>50%</td><td>10%</td><td>60%</td><td>40%</td></tr></tbody></table> <p>In terms of diversity in experience, the Board boasts Directors with exposure to a multitude of corporate cultures captured through experiences in both public sector and private sector domains as well as through various industries including healthcare, academia and professional services. Overall, the diverse boardroom set up serves to enrich the Board deliberations with varying perspectives and fresh ideas whilst averting 'blind spots', 'group think' and insularity of opinions.</p> <p>The Board had, in January 2022 approved a formalised Fit and Proper Policy for the Board of Directors and Senior Management. This policy serves as the guiding literature for the NRC and the Board as a whole, to prioritise objective and meritorious appointments at the leadership level. The Policy is used to guide deliberations surrounding the review and</p>		Age Group				Gender		50-59	60-65	66-69	70 - Above	Male	Female	Number of Directors	20%	20%	50%	10%	60%	40%
	Age Group				Gender																	
	50-59	60-65	66-69	70 - Above	Male	Female																
Number of Directors	20%	20%	50%	10%	60%	40%																

	<p>assessment of candidates for appointment to the Board and Senior Management as well as for the re-election or re-appointment/renewal of Directors and Senior Management on fixed-term contracts.</p> <p>The appointment of the Senior Management personnel is also reviewed by the NRC prior to it being presented to the Board. The said appointment is also based on merit and leadership skills, with due regard for diversity in skills, experience, age, ethnicity/cultural background and gender. It also takes into account the challenges and opportunities facing the Group as well as future skills and expertise needed to allow the Group to compete effectively in its market.</p> <p>Under the new Diversity Policy for the Board and Senior Management that was approved by the Board in December 2021, the NRC and the Board acknowledges the importance in promoting diversity for Senior Management and ensures that at least one female candidate is considered. The NRC and the Board will consult professional organisations and advocacy groups with database of qualified women for appointments at leadership levels. These practices highlight Duopharma Biotech’s unwavering commitment to diversity. Furthermore, under the newly approved policy, the concept of diversity encompasses various areas including gender, age, cultural and educational background, business and industry skills, and experience. The said policy also reiterated Duopharma Biotech’s aforementioned commitment to ensuring the Board comprises of at least 30% female Directors.</p> <p>Beyond nomination matters, the Board has also codified stipulations within the Remuneration Policy and Procedures for Directors and Senior Management that highlight Duopharma Biotech’s commitment to attracting and retaining high-quality, diverse individuals with the optimum mixture of competencies, ability, experience and skill to deliver on strategy. The policy was updated and approved by the Board on 9 December 2021.</p> <p>Furthermore, the Board is confident that all current Directors are able to devote the required time commitments as Directors of Duopharma Biotech. Where Directors hold cross-directorships with other organisations, these cross-directorships do not amount to a significant number thereby not compromising their ability to meet the necessary time commitments to Duopharma Biotech.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC is responsible for recommending suitable candidates for directorships to the Board. In undertaking this responsibility, the NRC leverages several sources to 'cast a wider net' and gain access to a wide pool of potential candidates.</p> <p>Directors' network and referrals from Senior Management and Duopharma Biotech's major shareholders form the primary means for sourcing of candidates. These methods have, in the past, produce tangibly noteworthy results in identifying candidates who are of high-calibre and at the same time have a sound understanding of Duopharma Biotech's business and the pharmaceutical industry.</p> <p>In addition to the above, the NRC have the option of utilising independent search firms and consultants to identify a wider pool of potential candidates. Potential candidates are screened against the criteria outlined in the Group's Board Nomination and Selection Procedure and interviewed by the NRC. The shortlisted candidates are then tabled to Board for recommendation.</p> <p>Candidates are thoroughly assessed based on core competencies and attributes such as character, competency, experience, integrity, time commitment as expressly outlined in paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") as well as the fit and proper requirements.</p> <p>In order to ensure that Directors have sufficient time to fulfil their roles and responsibilities effectively, the criterion as agreed by the Board for determining candidates for the pool of potential Directors is to limit the individual Directors to not more than five (5) directorships on listed issuers as prescribed in paragraph 15.06 of the MMLR.</p> <p>In relation to the appointment of Puan Amizar Binti Mizuar in July 2021 as a Non-Independent Non-Executive Director of Duopharma Biotech pursuant to her nomination by Permodalan Nasional Berhad ("PNB") (a major shareholder), the NRC had evaluated Puan Amizar's nomination and recommended her appointment to the Board without using other</p>

	<p>sources to identify other suitably qualified candidates due to the following reasons -</p> <p>(i) Under PNB's Stewardship Framework and Voting Guidelines, PNB will seek representation on the Board, taking into consideration shareholding by PNB and the unit trust funds managed by PNB, and the size and composition of the Board;</p> <p>(ii) the Board would continue to comprise a majority of independent non-executive directors thereby fulfilling requirement under Practice 5.2 MCCG; and</p> <p>(iii) the NRC had thoroughly assessed Puan Amizar based on objective criteria, merit and with due regard for diversity in skills, experience, age and gender, and ability to devote the required time to serve the Board effectively.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is cognisant that the appointment and re-appointment of Directors is a critical aspect of corporate governance, which has a direct impact over the stewardship of organisations. In recommending the re-appointment of Directors, the Board provides Duopharma's shareholders with an informed assessment of the concerned individuals.</p> <p>The NRC has reviewed and recommended to the Board, of Directors retiring by rotation, to be put forth for re-election in accordance with the Group's Board Charter. The NRC has also reviewed and recommended the composition of the board of directors on subsidiary companies of Duopharma Biotech, and training requirements for candidates to be appointed to the said boards.</p> <p>The Board ensures shareholders have the necessary information to make an informed decision on appointments and reappointments. For instance, in the Notice of AGM 2021, an Explanatory Note was included for the ordinary resolutions relating to the approval for the re-election of the Directors who retire in accordance with Article 100 of the Company's Constitution. Specifically, the note outlined the reasons for the NRC's recommendation that the retiring directors were eligible to stand for re-election, namely based on the assessment of the directors' eligibility to stand for re-election (that included the Director's performance and contribution based on the self and peer assessment results of the BEE, the directors' level of contribution to the Board deliberations through his/her skills and experience, and the level of independence demonstrated by the director, and his/her ability to act in the best interest of the Company in decision-making).</p> <p>Moreover, the Statement Accompanying the Notice of 20th AGM circulated to shareholders also included details of interest, position or relationship (if any) that may lead to conflict of interest with Duopharma Biotech.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC is chaired by the Senior Independent Director, Dato' Mohamad Kamarudin Bin Hassan.</p> <p>The Board understands that an effective recruitment and evaluation process of Directors is the building block of a high-performing Board. The Board therefore believes that the Senior Independent Director is the most suitable and qualified person to lead the conduct of the process in an objective manner.</p> <p>Given that the Senior Independent Director acts as a confidant to other Directors, he is well-placed to oversee the assessment of the Board's Chairman, taking into account a broad range of perspectives.</p> <p>The Chairman of the NRC also provides leadership and oversight over Directors' succession planning, election/re-election and the annual Board evaluation. The independence of the Chairman is highly significant in this context considering that the Chairman of the NRC leads matters relating to the evaluation and succession of the Board Chairman, CEO and other key Senior Management personnel.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied
Explanation on application of the practice	:	<p>At present, the Board has four (4) female Directors. In arithmetic terms, this amounts to 40% (four females out of the total ten Directors), thus, representing that the Group has gone above and beyond the recommended best practice in promoting gender diversity. Duopharma Biotech has also stipulated in paragraph 4.1.1 of the Board Charter, that the Board shall comprise at least 30% women Directors.</p> <p>Currently, the Board has a female Non-Independent Non-Executive Chairman, Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir. She was initially appointed as a Senior Independent Director on 5 April 2016 and was subsequently appointed as the Non-Independent Non-Executive Chairman since 28 December 2017. Duopharma Biotech remains as one of the few Malaysia listed issuers with a female Non-Executive Director as Board Chairperson. The Board acknowledges the benefits of having participation of women on the Board in terms of providing different perspectives and insights for effective decision making.</p> <p>During the financial year 2021, the NRC assessed and recommended the appointment of Puan Amizar Binti Mizuar as a Non-Independent Non-Executive Director to the Board to diversify the mix of skills, knowledge and experience which fit the Group's objectives and strategic goals, as well as to enhance gender diversity as iterated above. This was also carried out in review of the composition Board Committee members, which was done on a progressive basis as part of the Group's adoption of corporate governance best practices.</p> <p>The Board recognises that in accelerating gender diversity through proper planning and human capital strategies, this diversity will act as a source for fresh perspectives which ultimately benefits the overall deliberations taking place in the boardroom.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied	
Explanation on application of the practice	:	<p>During the year, the NRC and the Board formalised a Diversity Policy for Directors and Senior Management. The diversity policy reflects the Company's commitment to promote diversity (i.e. skills, experience, age, ethnicity/cultural background and gender) and inclusion for the Board and Senior Management of which it sets out the guiding principles and practices which underpin the Company's approach to instituting a diverse Board and Senior Management team.</p> <p>This policy aims to introduce organisational diversity in the Company's overall business, enhance decision-making capabilities at the Board and Senior Management by incorporating diverse viewpoints, enables good governance by heightening the capacity for organisational oversight to achieve industry and regulatory benchmarks in diversity and inclusion; and safeguard the Company in dealing with organisational change by effectively adapting to the changing business landscape and diversifying views from stakeholders. The policy is disclosed in the Company's Annual Report for the financial year ended 31 December 2021.</p> <p>The Annual Report 2021 for the financial year ended 31 December 2021 may be accessed at the Company's website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has undertaken a BEE exercise to ascertain the effective functioning of the Board. The exercise enabled the Board to assess its performance, the Board Committees and individual Directors, including Independent Directors, Nominee Directors and GMD in an objective and rigorous manner, with a view of taking remedial actionable steps.</p> <p>During the year under review, the BEE was conducted by an independent expert, namely KPMG Management and Risk Consulting Sdn. Bhd. (“KPMG MRC”) premised on the assessment criteria that have taken into account relevant regulatory promulgations, guidelines as well as emerging and leading practices. The process was carried out via an updated BEE questionnaire administered to the Directors, using a self and peer rating model. The platform of the BEE exercise was conducted via KPMG MRC’s digital BEE tool as part of the Group’s sustainability effort and reduction of carbon footprint through less usage of paper.</p> <p>The BEE criteria are based on the following overarching components:</p> <ul style="list-style-type: none">(a) Structuring a high-performing Board;(b) Ensuring smooth functioning of the Board’s operations and interactions; and(c) Fulfilling fundamental Board roles and responsibilities at highest standards of corporate governance. <p>Taking into consideration the developments in matters related to ESG, a tailored and in-depth review of the respective Board Committees were covered to ensure strategic alignment with Duopharma Biotech’s overall business plans and the further incorporation of ESG.</p> <p>The Board had also utilised the BEE to undertake an assessment on the training needs of each individual Director.</p> <p>In October 2021, the Board resolved to adopt the results of the BEE for financial year ended 31 December 2021 (“BEE 2021”) as recommended by the NRC. The results generally reflected an overall favourable score, being on par with the market and exceeding that of the healthcare sector based on KPMG MRC’s data repository. The leadership of the Chairman</p>

	<p>of the Board and GMD in Assessment Topic 3 (Directors' Self and Peer Assessment) remained above average with the individuals receiving "Excellent" ratings for all relevant questions.</p> <p>A particular highlight for the Company is the strong recognition of diversity at the Board level with 40% of the Board composing of female directors. It was also highlighted that variety of skill set present amongst the Directors allow the Board to tackle issues in a multifaceted manner. This showcases for an exemplary composition of the Board with the ability to tackle high-octane issues from different angles and thus, enriching the decision-making process as well as spearheading the charge in gender diversity.</p> <p>As for improvement markers, the Board will be directing its focus towards succession planning of the Board, oversight on remuneration of Senior Management and investments and empowerment of the MAC.</p> <p>The Board intends to continually engage independent experts to facilitate objective and candid board evaluations on a periodic basis.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>Duopharma Biotech has in place a remuneration framework which covers the remuneration policy and procedures for Directors and Senior Management. The Remuneration Policy and Procedures are formulated based on the following overarching objectives:</p> <ul style="list-style-type: none">▪ To ensure that the remuneration packages are robust and competitive to retain and attract the best talents in line with the long-term strategy and risk appetite of Duopharma Biotech; and▪ To ensure the remuneration packages are commensurate with the Directors and Senior Management team members' responsibilities, time commitment, experience, expertise, complexity of the Company's activities and industry norms. <p>The remuneration philosophy is premised on the need to have an adequate level of remuneration to attract and retain Directors and Senior Management personnel of high calibre and talent. The remuneration packages for the GMD, who is the sole Executive Director and other Senior Management personnel are structured in a way that links rewards to corporate and individual performance.</p> <p>As for Non-Executive Directors, the remuneration packages are structured such that their independence and objectivity are not impaired. The remuneration level for Non-Executive Directors reflects their responsibility and position on the Board and Board Committees, attendance and any special skills or expertise that they bring to the Board.</p> <p>During the year under review, the NRC reviewed the remuneration policy and procedures for Directors and Senior Management of Duopharma Biotech. Adjustments in remuneration accorded to Directors were made at the start of 2021 but not through a full-fledged review as the Board is cognisant that any substantial review may not be timely under the current economic climate and thus may only consider such review towards the turn of 2023.</p> <p>The Policy and Procedures has been endorsed by the Board, upon recommendation by the NRC. The Policy and Procedures shall be</p>

	<p>reviewed periodically or as and when it is necessary. The NRC, with the support of the Company Secretary, shall ensure that the provisions of the Policy and Procedures continue to comply with the legal requirements and corporate governance requirements and, if necessary, shall suggest amendments to this Policy and Procedures for consideration by the Board.</p> <p>The Remuneration Policy and Procedures for Directors and Senior Management is made available on the Company's website at (Remuneration Policy and Procedures for Directors and Senior Management).</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board currently has a combined Committee for nomination and remuneration named as the Nomination and Remuneration Committee ("NRC"). The current Chairman of the NRC is the Senior Independent Director.</p> <p>As the matters relating to nomination and remuneration are often intertwined, the Board is of the view that it may be synergistic to have a combined Committee rather than stand-alone committees. The combined NRC accords sufficient attention on matters relating to remuneration of Directors and Senior Management. In developing the agenda, the NRC Chairman, in consultation with the Company Secretary ensures that the balance of discussions is not tilted unfavourably against remuneration-related matters.</p> <p>This observation is corroborated with assessments conducted during the year and the previous years which revealed that having a combined NRC does not hinder it from according adequate time and attention on both remuneration and nomination matters. Members of the NRC also have the expertise to deal with both nomination and also remuneration matters.</p> <p>During the year under review, the Board has discharged its responsibilities to seek approval for fees and benefits for Directors by members at the AGM in accordance with Section 230 (1) of the Companies Act 2006. The shareholders of Duopharma Biotech had at the Company's 20th AGM held on 28 May 2021, approved three (3) resolutions in relation to the payment of Director's fees and payment of Director's remuneration.</p> <p>Remuneration packages for Non-Executive Directors reflect their time commitment (including meeting attendance) and responsibilities which amongst others encompass membership occupancy of Board Committees.</p> <p>As for the GMD and other Senior Management personnel, the remuneration packages have been structured to reflect their</p>

	<p>responsibilities and link rewards to corporate and individual performance. The said nexus to corporate and individual performance is affected through the element of performance bonus. Duopharma Biotech accords performance-based bonus anchored on key performance indicators to attract and retain high calibrated talents in the industry.</p> <p>The NRC has a ToR which outlines its duties and responsibilities (including providing oversight on remuneration policies and procedures). The ToR is made available on the Company's website.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	<p>In line with the Company's aspirations to observe the highest standards of corporate governance, Duopharma Biotech has disclosed respective Directors' remuneration on a named basis and by exact amount. The Board strives to ensure that information pertaining to Directors' remuneration is made transparent and accessible to shareholders and other stakeholders.</p> <p>The detailed disclosure for the remuneration of Duopharma Biotech's Directors is disclosed as follows:</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emolument	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir	Non-Executive Non-Independent Director	120	31	-	-	3	-	154	-	-	-	-	-	-	-
2	Leonard Ariff Bin Abdul Shatar	Executive Director	-	-	1,029	616	43	589	2,277	-	-	-	-	-	-	-
3	Dato' Mohd Kamarudin Bin Hassan	Independent Director	108	36	-	-	3	-	147	-	-	-	-	-	-	-
4	Razalee Bin Amin	Independent Director	100	28	-	-	3	-	131	-	-	-	-	-	-	-
5	Zaiton Binti Jamaluddin	Independent Director	106	34	-	-	3	-	143	-	-	-	-	-	-	-
6	Dato' Eisah Binti A. Rahman	Independent Director	111	36	-	-	3	-	150	-	-	-	-	-	-	-
7	Datuk Nik Moustpha Bin Hj Nik Hassan	Independent Director	103	28	-	-	3	-	134	-	-	-	-	-	-	-
8	Datuk Mohd Radzif Bin Mohd Yunus	Non-Executive Non-Independent Director	108	32	-	-	3	-	143	-	-	-	-	-	-	-

9	Dato' Dr. Zaki Morad Bin Mohamad Zaher	Independent Director	100	22	-	-	3	-	125	-	-	-	-	-	-	-
10	Amizar Binti Mizuar	Non-Executive Non-Independent Director	54	13	-	-	3	-	70	-	-	-	-	-	-	-

Notes:

1. Puan Amizar Binti Mizuar, who was appointed as a Non-Executive Non-Independent Director on 9 July 2021, is a nominee of Permodalan Nasional Berhad (“PNB”). Puan Amizar received payment of the Meeting Allowances, whilst Directors’ Fees and Board Committee Fees were paid to PNB instead.
2. Benefits-in-kind for non-executive directors represents group wide insurance coverage (i.e. medical and personal accidents).
3. As enumerated in Section 233(1) of Companies Act 2016, the service contracts of Directors are also made available for inspection by major shareholders upon request and any details of remuneration in those contracts are, therefore, accessible.
4. Total remuneration figures subject to rounding.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
Explanation on application of the practice	:	The remuneration of Senior Management is guided by the philosophy and principles outlined in the Remuneration Policy and Procedures for Directors and Senior Management (the "Remuneration Policy"), an overarching framework for the development and administration of fair and transparent remuneration. Under the Remuneration Policy, 'Senior Management' was defined as employees who are C-Suite officers and members of the Group Management Committee. The total remuneration of the Senior Management personnel (other than the GMD) in respect of financial year 2021 on a named basis in bands of RM50,000 are as set out in the table below:	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Wan Amir-Jeffery Bin Wan Abdul Majid	Chief Operating Officer/Chief Commercial Officer	500,001-550,000	50,001-100,000	150,001-200,000	0-50,000	200,001-250,000	900,001-950,000
2	Chek Wu Kong	Chief Financial Officer	450,001-500,000	0-50,000	150,001-200,000	0-50,000	150,001-200,000	750,001-800,000
3	Ng Su Yee	Chief Technical Officer	400,001-450,000	0-50,000	100,001-150,000	0-50,000	100,001-150,000	650,001-700,000
4	Krisnakumara-Reddi A/L Kesava-Reddi	Chief Manufacturing Officer	400,001-450,000	0-50,000	150,001-200,000	0-50,000	150,001-200,000	750,001-800,000
5	Ibrahim Hussin Salleh	Chief Legal Officer and Group Company Secretary	350,001-400,000	0-50,000	100,001-150,000	0-50,000	100,001-150,000	650,001-700,000
6	Shamsul Idham Bin A.lahad	Chief Executive Officer, Duopharma Consumer Healthcare Sdn. Bhd.	400,001-450,000	0-50,000	100,001-150,000	0-50,000	150,001-200,000	700,001-750,000

Note: The GMD remuneration is disclosed under the disclosure on Directors' remuneration under Practice 8.1 above, which is made on a named-basis and includes a breakdown of remuneration into salary, bonus, benefits-in-kind and other emoluments

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit and Integrity Committee ("AIC") is chaired by Encik Razalee Bin Amin, an Independent Non-Executive Director whilst the Chairman of the Board is Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir. The practice of demarcating the chairmanship of the Board and AIC has been codified in the ToR of the AIC.</p> <p>Having the positions of Board Chairman and Chairman of the AIC assumed by different individuals allows the Board to objectively review the AIC's findings and recommendations. Besides, the need for objectivity is particularly imperative for the Chairman of the AIC as the effectiveness of the committee is often dependent on his leadership. The Chairman is expected to demonstrate courage to deal with tough issues and support other members to do the same, especially in probing management on areas where subjectivity is inherent. Therefore, the Board recognises the importance for the Chairman of the AIC to be distinct from the Chairman of the board.</p> <p>Encik Razalee is an accountant whose qualifications include Bachelor of Economics (Hons.) in Accounting and Postgraduate Diploma in Accounting from the University of Malaya. Encik Razalee possesses significant professional experience as an accountant, having established his own Chartered Accountant firm. He is also Chartered Accountant of the Malaysian Institute of Accountants, a Certified Public Accountant of the Malaysian Institute of Certified Public Accountant and a Certified Financial Planner of the Financial Planning Association of Malaysia.</p> <p>The possession of sound financial understanding and experience equips the Chairman of the AIC with the ability to lead discussions and deliberations and ultimately be satisfied that the end result fairly reflects the understanding of the AIC.</p> <p>The duties and responsibilities of the Chairman of the AIC are outlined in its ToR, which is available on the Company's website.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is cognisant that a cooling-off period serves as an essential safeguard to the sanctity of the annual audit process by averting potential independence threats which may arise when a former partner of the external audit firm and/or its affiliates is in a position to exert significant influence over the audit and preparation of the Company's financial statements.</p> <p>To this end, the Board has formalised a stipulation within its Policy on External Auditor expressly stating that all former partners of the external audit firm shall not be offered employment or be appointed as a Director by Duopharma Biotech unless a cooling-off period of three years is observed.</p> <p>During the financial year under review, none of the current members of the Board or AIC are former partners of the external audit firm and/or its affiliates within the last three years.</p> <p>The policy is made available on the Company's website (Policy on External Auditor).</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	: Applied
Explanation on application of the practice	<p>The Company's relationship with the external auditors is primarily maintained through the AIC, guided by the principles of the MCCG. The AIC is responsible for assessing the capabilities and independence of the external auditor and to make subsequent recommendations to the Board on the appointment, re-appointment or termination of the external auditor. The ToR of the AIC was established with reference to Chapter 15 of the MMLR, Part 9 – Audit Committee.</p> <p>During the financial year, the AIC has monitored and reviewed the performance and independence of the external auditor, namely, KPMG PLT and satisfied itself that the external auditor has been independent throughout the conduct of the audit process and the audit services rendered have met the quality expected by the Committee and the Company. The evaluation on the external auditor by the AIC for the year under review commenced in October 2021 where members of the AIC submitted assessment based on External Auditor Evaluation Form developed as recommended by Duopharma Biotech's Policy on External Auditor. As part of the assessment of the External Auditor, the AIC also had the opportunity to interview the engagement partner of the External Auditor during the sessions scheduled between the AIC members and the engagement partner without the presence of Management in December 2021 and March 2022. The result of the assessment was then deliberated by the AIC and subsequently presented to the Board in March 2022.</p> <p>Paragraph 15.21 of the MMLR also required that AIC to consider the following for the appointment of external auditor.</p> <ul style="list-style-type: none">▪ the adequacy of the experience and resources of the external audit firm;▪ the persons assigned to the external audit engagement;▪ the accounting firm's audit engagements;▪ the size and complexity of the subject matter being audited; and▪ the number and experience of supervisory and professional staff assigned to the particular external audit engagement. <p>In terms of assessing the quality of services rendered by the external auditor during the year under review, the AIC is guided by the following non-exhaustive indicators:</p> <ul style="list-style-type: none">▪ adequacy of audit scope;▪ ability of the external audit firm to meet audit deadlines;▪ timeliness in escalating audit issues to the AIC;

	<ul style="list-style-type: none"> ▪ allocation of resources to significant audit risk areas; and ▪ effectiveness of the external audit firm’s recommendations in addressing weaknesses observed during previous audits, particularly on internal controls relevant to financial reporting process. <p>The assessment by the AIC is supplemented by feedback gathered from senior finance personnel across Duopharma Biotech, focusing on a range of factors that the AIC considers as relevant to audit quality. For the audit of the financial year ended 31 December 2021, KPMG PLT has also provided the AIC with a written assurance confirming that its personnel were and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. Prior the commencement of the external audit engagement, KPMG PLT also presented its external audit plan which outlines the bases and approach for the work to be undertaken.</p> <p>The AIC has also taken into consideration the nature and extent of the non-audit services rendered and the appropriateness of the level of fees. Provisions of non-audit services by the external auditor, KPMG PLT were reviewed to ascertain whether such provision of services would impair the external auditor’s objectivity.</p> <p>Pursuant to the assessment on the suitability and independence of the external auditor, the AIC made its recommendation to the Board on the re-appointment of the external auditor alongside the accompanying audit fees. The process of reviewing independence of the external auditor is governed by the Policy on External Auditor, as approved by the Board. The Policy on External Auditor was reviewed by the AIC and the Board during the year under review.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The AIC currently comprises solely of Independent Directors, namely, Encik Razalee Bin Amin, Puan Zaiton Binti Jamaluddin and Datuk Nik Moustpha Bin Hj Nik Hassan. Encik Razalee Bin Amin is the Chairman of the AIC.</p> <p>The Board is cognisant that independence is the cornerstone of a well-functioning audit committee. Further, an audit committee that can critically and objectively apply a probing view on pertinent matters is key to safeguarding the Company's audit and financial reporting process.</p> <p>The Board expects the AIC members to demonstrate professional scepticism, vigilance and moral courage when undertaking their responsibilities.</p>

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The AIC comprises three (3) Independent Non-Executive Directors, namely, Encik Razalee Bin Amin (Chairman of the AIC and Independent Non-Executive Director), Puan Zaiton Binti Jamaluddin (Independent Non-Executive Director) and Datuk Nik Moustpha Bin Hj Nik Hassan (Independent Non-Executive Director). All members of the AIC are financially literate and have carried out their duties in accordance with the ToR of the AIC.</p> <p>The review of the composition of the AIC is conducted annually in accordance with paragraph 15.20 of the MMLR. The composition of the AIC allows it to possess a range of skills and the requisite financial literacy to discharge its duties effectively. Encik Razalee is an accountant by profession and a member of the Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA), thus fulfilling paragraph 15.09(1)(c) of the MMLR which calls for one member of the audit committee to be a member of a professional accountancy body.</p> <p>Puan Zaiton has a Master of Business Administration and has over 20 years of professional experience in the healthcare and pharmaceutical industry. Her background provides the AIC with valuable input on the pharmaceutical industry and the operational drivers which are impacting the financial performance of Duopharma Biotech. Datuk Nik Moustpha is an academic with interests in economic ideology, systems and management. He has authored six books, edited 18 books and published over 260 scholarly articles in various journals, books, magazines and newspapers on these topics. Datuk Nik Moustpha is a member of the Institute of Corporate Directors Malaysia ("ICDM").</p> <p>All members attend from time to time or as appropriate relevant trainings and continuous professional development programmes to keep themselves abreast of the latest developments in accounting and auditing standards, practices and rules. Further, in the event of changes to or adoption of new provisions of the Malaysian Financial Reporting Standards (MFRS), members would be briefed on such matters by KPMG PLT, the Company's external auditors or the Chief Financial</p>

	<p>Officer (“CFO”). The full list of trainings that the AIC members have attended can be found in the Annual Report for the financial year ended 31 December 2021.</p> <p>Pursuant to the recommendation by the Corporate Governance Guide (4th Edition) (issued by Bursa Malaysia Berhad on 15 December 2021) that the audit committee should ensure that the finance function within a company is carried out by the right personnel and equipped with adequate resources, the AIC had at its meeting in February 2022 conducted a review of the overall operational structure of the Group Finance Department of Duopharma Biotech. The review included the operational structure (including certain essential information such as background and career development of finance personnel) and the infrastructure that is currently inbuilt in supporting the financial reporting processes of the Duopharma Biotech Group. The AIC was satisfied that the finance function within the Group was carried out by the right personnel with the skills, experience, training and authority suitable to the industry and complexity of the Group’s business; and that the finance function was equipped with adequate resources and the right infrastructure to support the financial reporting process.</p> <p>Based on the outcome of the AIC effectiveness assessment of the BEE exercise, the Board is satisfied with the AIC’s performance and its Chairman and members possess the necessary knowledge, experience, expertise and skills which contributed to the overall effectiveness of the AIC.</p> <p>AIC members are vigilant, exercise professional scepticism and constantly apply a probing view to challenge Management’s assertions on the Company’s financials.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	: Applied
Explanation on application of the practice	<p>Risk management is an essential part of corporate governance and it is firmly embedded in the Group's key processes through its Risk Management Framework. The Board is responsible for ensuring that the framework internal control systems are maintained, while Management ensures the sufficient and effective operational controls over the key business processes are properly implemented with regular review and update. In order to assist its oversight functions on risk management and internal control framework, the Board is supported by the RMSC.</p> <p>The Board, through the RMSC determines the Group's level of risk tolerance and actively identifies, assesses and monitors key business risks to safeguard Duopharma Biotech's businesses. The Group has adopted an Enterprise Risk Management framework, which is grounded on its Risk Management and Manual Guidelines, which in turn is aligned to the better practices outlined in the International Organisation for Standardisation (ISO) 31000:2009, an internationally recognised framework for managing risks.</p> <p>Furthermore, the Board has strengthened its internal control systems by refining the Group's Anti-Bribery Management System ("ABMS") to align with international standards. In tandem with this measure, Duopharma Biotech received the MS ISO 37001:2016 accreditation which showcase the Board's commitment to ensuring an ethical culture across the Group.</p> <p>The Board through the RMSC performs periodic reviews and closely monitors the resilience of the risk management and internal control framework to ensure its adequacy and effectiveness. The Group Risk Management Department facilitates the risk management review exercise across the Group and reports its activities and makes appropriate recommendations to the RMSC.</p> <p>The internal control mechanism established by the Group is embedded within the organisation structure across all its processes. The internal control system is independently reviewed by the Group Internal Audit based on the annual audit plan for an assessment on adequacy and effectiveness.</p> <p>The Management is tasked to identify, analyse, evaluate and treat the risks associated to the business and operations of the Group and is</p>

	<p>responsible for designing effective internal control measures and formulating mitigation strategies.</p> <p>All employees of the Group are responsible for managing risks within their respective areas of responsibilities. An ongoing process to identify, assess, respond, monitor and report significant risks that may affect the achievement of the Group's business objectives is in place. Risks faced by the business are identified and evaluated based on the likelihood and potential impact of each risk, and where necessary, actions to mitigate the risks.</p> <p>Further details of the Duopharma Biotech's Risk Management and Internal Control Framework can be found under the Statement on Risk Management and Internal Controls ("SORMIC") in the Annual Report 2021.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Annual Report 2021 contains the SORMIC which provides a comprehensive overview of the key elements of Duopharma Biotech's risk management and internal control systems including assignment of authority and responsibility, planning, monitoring and reporting procedures, policies as well as business continuity.</p> <p>The SORMIC also outlines the differentiated roles and functions held by the different clusters within Duopharma Biotech in maintaining the risk management and internal control systems.</p> <p>In tandem with the growing complexities in the marketplace, the Board had instituted a RMSC to devote more focus and attention on existing and emerging risks facing Duopharma Biotech. The amalgamated RMSC has also enabled the Board to deliberate on sustainability related risks that may impact the strategic direction of the Group.</p> <p>The RMSC amongst others undertakes the following responsibilities:</p> <ul style="list-style-type: none">▪ Reviews the status report of risk management activities for the year to ensure that all the planned activities for Duopharma Biotech were properly carried out;▪ Reviews the summary of the risk assessment report prepared by the Group Risk Management Department;▪ Monitors the status of mitigation actions taken by Management to ensure all risk management issues and concerns are adequately resolved on timely basis;▪ Reviews Duopharma Biotech's Risk Profile and the management process for identifying, evaluating and managing the significant risks faced by the company;▪ Reviews and updates the Risk Appetite based on the Company's performance, goals and market condition;▪ Reviews and recommends the Group Risk Management Strategy highlighting the key initiatives to be undertaken yearly in order to strengthen the risk management practices within the organisation and close any significant gaps from the Risk Maturity Assessment, which is aligned to Duopharma Biotech's 7-year strategy plan;▪ Reviews the impact of COVID-19 on Duopharma Biotech Group's financial performance, strategic direction, ongoing projects, execution of strategy taking into consideration current business performance, challenges and new opportunities;

	<ul style="list-style-type: none"> ▪ Reviews the action plans against the recommendations on key areas of improvements for the RMSC based on the outcome of the BEE for the year 2021; ▪ Monitors Duopharma Biotech Group’s compliance to requirements relating to Safety, Health and Environment; ▪ Reviews reports on Safety, Health and Environment incidents and deliberates the adequacy and effectiveness of preventive and corrective actions taken; ▪ Reviews and recommends the Business Continuity Management (“BCM”) Policy for Duopharma Biotech developed by an appointed third party consultant based on requirements detailed in the ISO 22301 (i.e. BCM standard); ▪ Reviews reports on FTSE4Good ESG ratings and Environmental plan improve the Environment scoring for FTSE4Good; ▪ Monitors the Company’s Sustainability commitment as per MCCG requirements to manage ESG risks and opportunities and fostering sustainable returns through organisational health as well as disclosure of Sustainability Report as per the Main Market Listing Requirements; and ▪ Reviews status updates in relation to the COVID-19 pandemic including the Guidelines from the Ministry of Health, Ministry of International Trade and Industry, and other related agencies, and oversees the development of Standard Operating Procedures for employees across the board in preventing the spread of COVID-19, as well as monitoring the status of COVID-19 cases within the Group. <p>The risk management framework adopted by the Group is guided by internationally recognised risk management framework. The risk management framework and process, and the internal control systems of the Group are found in the SORMIC.</p>
Explanation for departure :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure :	
Timeframe :	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	: Adopted
Explanation on adoption of the practice	<p>The Board has established the RMSC comprising a majority of Independent Non-Executive Directors. The Board committee is chaired by a Non-Independent Non-Executive Director, Datuk Mohd Radzif Bin Mohd Yunus. Two (2) Independent Non-Executive Directors are also members of the RMSC namely Puan Zaiton Binti Jamaluddin and Dato' Mohammad Kamaruddin Bin Hasan.</p> <p>To fulfil its oversight responsibility, the Board through delegation to the RMSC, reviews the adequacy and integrity of the Group's risk management framework and policies which encapsulates the key processes for risk identification, assessment, mitigation, monitoring and reporting.</p> <p>The ToR of the RMSC which can be accessed on the Company's website sets out risk management as a primary agenda of the RMSC. The Board had in 2018 recognised sustainability as a key risk management agenda and approved to include sustainability into the ToR of the then Risk Management Committee and renamed the committee as the RMSC. The Board is of the view that matters of risk are accorded with due attention, that the agenda on risk management was not overwhelmed by other agenda, and that the members of the RMSC have the expertise to oversee risk management matters in an effective manner.</p> <p>In setting up the Board Committees, including the RMSC, the Board had taken into consideration the increased workload of committees, balanced against the ability of the committee to accord due attention on the matters discussed by the respective committee, and time commitment of the respective Directors due to the increased number of board committees that would arise if the Company was to set up different dedicated stand-alone committees in addition to the existing board committees.</p> <p>The RMSC also co-ordinates and communicates regularly with the AIC to minimise any overlaps in the oversight functions of these two (2) Committees.</p>

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	: Applied
Explanation on application of the practice	<p>The Board has established an in-house internal audit function, which resides within the Group Internal Audit and Integrity Department (“GIA”). As the “eyes and ears” of the AIC, the Head of GIA reports directly to the AIC and has direct access to the Board through the Chairman of the AIC.</p> <p>The AIC reviews and subsequently approves the Annual Internal Audit Plan. It ensures the GIA function is accorded with appropriate standing and authority to facilitate the discharge of its duties. In approving the annual budget for the internal audit function, the AIC ensures that the GIA function holds adequate resources to perform its role with objectivity and undue influence by Management or any other interested parties.</p> <p>The GIA’s primary function is to perform audits and evaluations to determine the efficacy of internal controls, governance and risk management processes in order to provide the Board and management with unbiased and reasonable verification of the adequacy and integrity of the Group’s internal control structures, governance and risk management processes. On a regular basis, thorough audits are performed of the policies, processes, expenditure and internal controls of all business and support units and subsidiaries. The GIA provides the AIC with assurance and guidance on the integrity on the Group’s governance and internal control systems.</p> <p>During the year under review, The AIC held private sessions with the Head of the GIA Department without the presence of Management to discuss significant internal audit matters and to provide an avenue for the Group Internal Auditor to surface any pertinent issues or concerns that were gathered.</p> <p>The performance of the AIC was assessed as part of the BEE that was conducted by an independent external consultant, namely KPMG MRC. Based on the AIC’s score in the BEE, the AIC had performed relatively well.</p> <p>Adopting a suggestion which arose from the BEE, the AIC members, facilitated by the Company Secretary at the end of the year under review, were given the liberty to plot forward-looking agenda items (also known as “annual missions”) for the whole calendar year 2022 ahead of schedule. This provided a means to proactively solicit input from all AIC members to fashion the AIC’s agenda.</p>

	More information on Duopharma Biotech's GIA functions can be found in the Internal Audit Function Statement of the AIC Report, as contained in the Annual Report 2021.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's Internal Audit function is spearheaded by Mr. Rama Sockalingam Nagappan who is also the Head of the Group Internal Audit and Integrity Department. Mr. Rama is a member of Certified Practising Accountant (CPA), Australia, a Chartered Member of the Institute of Internal Auditors, a Certified Internal Auditor (CIA) and a Certified Integrity Officer with extensive experience in the realm of governance, integrity and internal control.</p> <p>Mr. Rama, along with other internal audit personnel, are free from any family relationship with any Directors and/or major shareholder and do not have any conflict of interest with the Company or the wider Group. The total number of personnel assigned for the internal audit function of the Group is seven (7).</p> <p>The Group has in place a GIA function which independently reviews and assesses the adequacy, operating effectiveness and integrity of the system of internal control in managing key risks including often side-lined risks such as compliance and reputational risks and fraud risk. The annual audit plan is reviewed and approved by the AIC. The scope as well as frequency of the audit coverage are determined in tandem with the level of assessed risks, in view of providing an independent and objective report on the operational and management activities of these functions.</p> <p>Further, the Internal Audit Plan was tabled to the AIC on a quarterly basis so as to monitor its progress and scorecard. During the year and in addition to the matters related to the Company's audit and its financial statements and performance, the AIC also focused on the operational and integrity issues as well as the anti-fraud controls and policies with regards to the Malaysian Anti-Corruption Act 2009 (Section 17A) requirement(s) of the Guidelines on Adequate Procedures and the ISO37001 Anti-Bribery Management System under GIA.</p> <p>During the year and in addition to the matters related to the Company's audit and its financial statements and performance, the AIC also focused on the operational and integrity issues as well as the anti-fraud controls and policies with regards to Section 17A of the Malaysian Anti-Corruption Act 2009 via the GIA.</p>

	<p>Having assessed the GIA function, the AIC is satisfied that the coverage of the internal audit scope is adequate, and the GIA has the necessary competence, resources and authority to carry out its work. In conducting the internal audit process, the GIA is guided by the COSO (Committee of Sponsoring Organizations) Internal Control Framework which covers the following five (5) elements of internal controls:</p> <ul style="list-style-type: none"> ▪ Control environment; ▪ Risk assessment; ▪ Control activities; ▪ Information and communication; and ▪ Monitoring. <p>The internal audit function has adopted the International Professional Practices Framework set by the Institute of Internal Auditors (“IIA”) and ensures that staff are professionally guided and trained to develop the appropriate competencies to perform their duties during the internal audit review.</p> <p>The GIA adopts a risk-based audit approach in its annual audit planning which takes into consideration the risk assessment, business plan, previous audit results, as well as the AIC’s and Senior Management’s inputs. The audits are guided by the established internal audit framework of the Group as well as the International Professional Practices Framework of the IIA.</p> <p>All internal auditors are free from any relationships or conflicts of interest, which could impair their objectivity and independence. The work of the Group Internal Audit is in line with an established Internal Audit Charter and in accordance with the Standards for the Professional Practice of Internal Auditing Framework.</p> <p>Additional disclosure on the Group Internal Audit function can be found in the AIC Report within the Annual Report 2021.</p>
Explanation for departure :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure :	
Timeframe :	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	: Applied
Explanation on application of the practice	<p>The Board recognises that maintaining regular, seamless, and forthcoming engagement with its stakeholders is vital for informed decision making. Hence, the Board seeks to ensure that Duopharma Biotech's stakeholders are cognisant, in a timely manner, on any key developments that pertain to Duopharma Biotech's business operations.</p> <p>In terms of disclosure of material information, the Board adopts a comprehensive, accurate and timely approach in compliance with the MMLR and the Corporate Disclosure Guide of Bursa Malaysia Berhad</p> <p>To this end, the Board ensures that Duopharma Biotech's website, as one of the primary modes of communication with stakeholders, is regularly updated. The website includes information which are of interest to stakeholders including:</p> <ul style="list-style-type: none">▪ Operational details;▪ Annual Reports;▪ the Board Charter;▪ ToRs;▪ Financial Highlights;▪ Policies and procedures;▪ Corporate announcements; and▪ Relevant news clippings. <p>The Board has also adopted the Shareholders and Investors Communication Policy and the Corporate Disclosure Policy & Procedures that govern the communication methods between the Company and its stakeholders. These policies allow for timely and quality dissemination of information to stakeholders. Duopharma Biotech also maintains a social media presence to keep stakeholders updated on the latest activities and developments of the Group.</p> <p>In order to maintain an open line of communication with stakeholders, the Group leverages on a plethora of channels including the corporate website, announcements on the Exchange, briefing sessions, press releases, and social media platforms. Duopharma Biotech regularly holds investment analyst engagement sessions organised by the Finance Department in collaboration with Group Corporate Communication Department.</p> <p>Additionally, the Board has designated Dato' Mohamad Kamarudin Bin</p>

	<p>Hassan as Senior Independent Director to serve as the contact point for the Group's stakeholders, including employees and minority shareholders to forward their enquiries and concerns, in the scenario that concerns have not been resolved or would not be appropriate via the normal channels through the Chairman or GMD.</p> <p>Notwithstanding the above, Duopharma Biotech is committed to facilitate continuous information dissemination to all stakeholders, keeping all parties updated with the latest developments in the pharmaceutical industry through various forms of engagement.</p> <p>Shareholders are welcomed to raise queries by contacting the Company at any time throughout the year. The contact information is available on the Company's website at (Contact Information).</p>	
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure		
Timeframe		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Annual Report of Duopharma Biotech provides stakeholders with a fairly comprehensive overview on the Company's financial and non-financial information including strategic performance. Components such as Management Discussion and Analysis, Sustainability Statement, Corporate Governance Overview Statement and SORMIC form an integral part of the non-financial information.</p> <p>Information is also provided on the business model as well as the trends, outlook and prospects of the Company. Whilst certain characteristics of integrated reporting may be embodied in the Annual Report of Duopharma Biotech, it is on the whole not an integrated report based on the parameters set out by the International Integrated Reporting Council's (IIRC) Integrated Reporting Framework.</p> <p>Recognising that producing an Integrated Report represents a journey, the Board has decided that Duopharma Biotech will issue an Integrated Report for Financial Year 2022 and will engage consultants who have experience preparing Integrated Reports to assist on this front.</p> <p>In relation to sustainability reporting, Duopharma Biotech is considering to continue at least as an interim measure the issuance of a separate Sustainability Report, in addition to an Integrated Report as it is understood that a select number of stakeholders may want to deep dive into sustainability-related information which is disclosed in more detail within the Sustainability Report, rather than in the Integrated Report.</p> <p>In order to provide stakeholders with a holistic picture of Duopharma Biotech's business, the Annual Report of Duopharma Biotech draws linkages between the various components contained therein, comprising financial and non-financial information. The Company has once again successfully produced its stand-alone Sustainability Report for the financial year ending 31 December 2021 pursuant to the guidelines outlined in Practice Note 9 of MMLR as well as the Sustainability Guide and Toolkits by Bursa Malaysia Berhad.</p>

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:	Duopharma Biotech is also continuously building the necessary systems to capture data that are relevant to sustainability indicators. In relation to sustainability initiatives, Duopharma Biotech has continued to focus on basic sustainability initiatives in the areas of water conservation and energy as well as relooked the approach to sustainability and the support structure at both the Board and Management. These developments signal a significant step forward and has positioned Duopharma Biotech on a solid footing to adopt Integrated Reporting.	
Timeframe	:	Within 2 years	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the Annual General Meeting (“AGM”) as a platform for shareholders to engage with both the Board and Management in a productive dialogue, as well as a mode of communication to provide constructive feedback on the overall performance of Duopharma Biotech.</p> <p>The Board endeavours to provide shareholders with sufficient time to consider the resolutions that will be discussed and decided upon during the AGM. In this context, the Board provided notice of its forthcoming AGM to shareholders within a reasonable time frame, at least 28 days before the AGM. This goes above and beyond Section 316(2) of Companies Act 2016 and paragraph 7.15 of MMLR which call for a 21-days’ notice period for public companies or listed issuers respectively.</p> <p>It is envisaged that the additional buffer time would enable the shareholders to make an informed decision in exercising their voting rights. This would also allow shareholders to make the necessary arrangements to attend and participate in person or through proxies.</p> <p>The notice of the AGM outlines the resolutions to be tabled during the said meeting and is accompanied with explanatory notes and the profiles of the Directors who are standing for re-election to shed clarity on the matters that will be decided at the AGM.</p> <p>To ensure a smooth virtual AGM, the Company also distributed an Administrative Note together with the notice of AGM, which provides information to the Shareholders regarding the registration and voting process, connectivity requirements, AGM details, their entitlement as a shareholder, the do’s and don’ts when participating in the virtual AGM as well as guide on submitting questions.</p> <p>In 2021, the notice of the twentieth (20th) AGM was issued on 27 April 2021, which was 31 days before the AGM, held on 28 May 2021 demonstrating the commitment of the Board in ensuring shareholders have adequate time to consider the resolutions put forth.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises its obligation to engage shareholders and provide meaningful responses to the questions raised during the general meetings.</p> <p>In demonstrating this commitment to shareholders, all Directors were present either at the physical broadcast venue or via video conferencing in the twentieth (20th) AGM in 2021 which was held on 28 May 2021. The Chairmen of the respective Board Committees were present to facilitate discussions and address any questions shareholders may have on matters that fall under the purview of the Committees.</p> <p>In addition, the Board had enlisted KPMG MRC as an independent moderator to facilitate shareholders' question and answer session in the virtual setting. The presence of all Directors, including the GMD, the Company Secretary, the CFO, the representatives of the Senior Management Team and the Company's external auditors to address any queries relating to the audit of the financial statements ensured that meaningful responses were provided to the shareholders.</p> <p>In addition to the 20th AGM, Duopharma Biotech had also during the year, held one (1) MOM held on 13 August 2021 to vote on a resolution concerning the proposed bonus share issue for the year. Similar to the AGM, the MOM was also conducted fully virtually with all Directors present to facilitate discussions and address any questions. Unlike the AGM however, Duopharma Biotech elected to not engage an independent moderator for the MOM. Instead, Duopharma Biotech assembled a team of moderators comprising representatives from Senior Management, the Company Secretary's office, Finance and Corporate Communication teams to objectively stream the questions raised by shareholders during the virtual Meeting. The Head of Group Internal Audit & Integrity provided oversight to ensure all questions have been objectively selected and streamed.</p> <p>The responsibility for all Directors to attend general meetings and for the Chairmen of the respective Committees to address shareholders' questions are outlined in the Board Charter.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>On 28 May 2021, Duopharma Biotech conducted its twentieth (20th) AGM in a fully virtual manner through live streaming from the broadcast venue at Virtual Studio 2 (Meeting Room 401 & 402), Level 4, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia. The Board Chairman, AIC Chairman, GMD, CFO, Company Secretary, external auditors and independent scrutineers were present at the broadcast venue while all other Directors attended the AGM via video conferencing.</p> <p>The notice for the AGM was provided 31 days in advance to enable shareholders to make adequate preparation. Shareholders were able to log on and participate remotely as well as pose queries online via the technology platform provided by the share registrar and poll administrator, Tricor Investor & Issuing House Services Sdn. Bhd. ("Share Registrar and Poll Administrator"). All resolutions tabled during AGM are voted by poll and the results and procedures were validated by Security Solutions Sdn Bhd, an independent scrutineer.</p> <p>Feedback gathered during the AGM were evaluated and considered for further action by the Board and Senior Management. Minutes of the previous AGM were made available on the corporate website of Duopharma Biotech within 30 business days upon conclusion of the said proceedings and is accessible via the link at (Minutes of the 20th AGM).</p> <p>For the MOM held on 13 August 2021, Duopharma Biotech elected a similar fully virtual modality through live streaming from the similar broadcast venue. All Directors were present along with members of Senior Management and a cross-department team who served as moderators for the MOM. Also present at the MOM were advisers to the proposed bonus issue, share registrar and poll administrators and scrutineers.</p> <p>The notice for the MOM was provided at least 28 days in advance to enable shareholders to make adequate preparation. Shareholders were able to log on and participate remotely as well as pose queries online via the technology platform provided by the share registrar and poll administrator. All resolutions tabled during MOM are voted by poll and</p>

	<p>the results and procedures were validated by Security Solutions Sdn Bhd, an independent scrutineer.</p> <p>Feedback gathered during the MOM were evaluated and considered for further action by the Board and Senior Management. Minutes of the previous MOM were made available on the corporate website of Duopharma Biotech within 30 business days upon conclusion of the said proceedings and is accessible via the link at (Minutes of MOM).</p> <p>In the recent Report on 2020 Annual General Meeting of Public Listed Companies produced by the Minority Shareholders Watch Group (MSWG) in collaboration with the Center for Governance Resilience and Accountability Studies, Faculty of Economics and Management, Universiti Kebangsaan Malaysia (UKM), Duopharma Biotech ranked first in the unweighted score category for good AGM practices, which takes into account AGM compliance and best practices across the Companies Act 2016 (“CA 2016”) and MCGG.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	<p>:</p>

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board seeks to foster mutually reinforcing relationship with Duopharma Biotech's shareholders as underpinned by the principle of transparency. To this end, Duopharma Biotech through the guidance of the Chairman encourages a culture of openness, allowing for descriptive questions from shareholders to be addressed appropriately by Duopharma Biotech. In other words, Duopharma Biotech does not filter out seemingly tough questions as the Board is cognisant that shareholders have the right to have their questions appropriately addressed.</p> <p>For the AGM held on 28 May 2021, shareholders were given an option to submit questions in advance. During the AGM, shareholders were able to log on and participate remotely as well as pose questions online via the technology platform provided by the Share Registrar and Poll Administrator. In the AGM, Duopharma Biotech addressed a total of twelve (12) pre-meeting and seventy-eight (78) live questions on various matters covering the following topics <i>inter alia</i>:</p> <ul style="list-style-type: none">• development and financials of new drugs;• vaccines venture;• financial statements;• cost-savings from conducting a virtual AGM;• sustainability efforts;• contracts with the Ministry of Health ("MOH"); and• e-vouchers and door gifts. <p>For the MOM held on 13 August 2021, shareholders were also given an option to submit questions in advance. During the MOM, shareholders were able to log on and participate remotely as well as pose questions online via the technology platform provided by the Share Registrar and Poll Administrator. In the MOM, Duopharma Biotech addressed a total of twenty-seven (27) pre-meeting and seventy-six (76) live questions during the MOM and additional four (4) post-meeting questions on various</p>

	matters covering the proposed bonus share issue and other topics <i>inter alia</i> : <ul style="list-style-type: none"> • status of vaccine deals; • share price movements; • capital expenditure for business expansions; and • e-vouchers and door gifts. 	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Applied
Explanation on application of the practice	:	<p>On 28 May 2021, Duopharma Biotech conducted its twentieth (20th) AGM through live streaming and online remote voting using the Remote Participation and Voting (“RPV”) facility from the Broadcast Venue at Virtual Studio 2 (Meeting Room 401 & 402), Level 4, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia.</p> <p>Shareholders or their proxies were advised/informed to attend, post questions via real time submission of typed texts and vote via the technology platform provided by the Share Registrar and Poll Administrator. During the general meeting, the Board endeavoured to address all questions posed by shareholders.</p> <p>The questions received from shareholders were shown live virtually to further promote transparency. In line with better practices and to allay concerns that questions may be selectively availed and responded in a virtual general meeting environment, the Board had enlisted KPMG MRC. As an independent moderator to facilitate shareholders’ question and answer session in the virtual setting.</p> <p>For the MOM held on 13 August 2021, Duopharma Biotech also utilised RPV facilities from the aforementioned Broadcast Venue. Shareholders or their proxies were advised/informed to attend, post questions via real time submission of typed texts and vote via the technology platform provided by the Share Registrar and Poll Administrator. During the general meeting, the Board endeavoured to address all questions posed by shareholders.</p> <p>Unlike the AGM, Duopharma Biotech elected not to engage an independent external moderator for the MOM. Duopharma Biotech assembled a team of moderators comprising representatives from Senior Management, the Company Secretary’s office, Finance and Corporate Communication teams to objectively stream the questions raised by shareholders during the virtual Meeting. The Group Internal</p>

	<p>Auditor provided oversight to ensure all questions have been objectively selected and streamed.</p> <p>The questions received from shareholders were shown live virtually to further promote transparency.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of Duopharma Biotech's Twentieth (20 th) AGM held on 28 May 2021 and the minutes of the MOM held on 13 August 2021 were circulated to shareholders by publishing the minutes on Duopharma Biotech's website within 30 business days after the respective meetings. The minutes were made easily accessible on Duopharma Biotech's website at (Minutes of 20th AGM and Minutes of MOM). This represents the Board's awareness of the importance of the timely release of general meeting minutes for the perusal of shareholders.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

Not Applicable
