



MEDA INC

MEDA INC BERHAD

(Company No : 507785-P)

BOARD CHARTER

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(Company No : 507785 P)
(Incorporated in Malaysia)

BOARD CHARTER

1. OVERVIEW

The Board Charter sets out the principal functions, composition, roles and responsibilities of the Board of Directors of Meda Inc Berhad ('Meda or "Company") and also the functions and responsibilities delegated to the Board Committees as well as to the Management of Meda and its Group.

The Board of Directors of Meda is primarily responsible for ensuring that the principles of good corporate governance are practiced and appropriate corporate governance structure is in place in Meda and its Group in creating, protecting and enhancing shareholders' and stakeholders' values and in promoting sustainability.

The Board of Directors of Meda has a duty of being effective steward and guardian of the Company in setting strategic directions and in overseeing the conduct of business and also in ensuring that the Company is in compliance with laws and ethical values and maintains an effective governance structure to ensure the appropriate management of risks and level of internal controls.

The Board of Directors of Meda recognizes the value of good governance and the significant milestone of the Malaysian Code on Corporate Governance 2012 which focuses on enhancing board effectiveness by strengthening board structure and its composition while recognizing the active and responsible fiduciary role of each of the members of the Board.

2. OBJECTIVES

The objectives of the Board Charter are to ensure that the members of the Board are aware of their roles, duties and responsibilities and the application of principles and practices of good corporate governance in their business conduct and dealings in respect of, and on behalf of the Company and the various laws and legislations governing them and the Company.

3. THE BOARD OF DIRECTORS

3.1 ROLES AND RESPONSIBILITIES

The Board of Directors takes full responsibility for the overall performance of the Company and its Group and its obligations to the Company's shareholders and stakeholders to promote the value to the Company's shares.

Having regard to its role, the Board will direct and supervise the management of, the business and affairs of the Company including in particular the following :-

1. Review and adopt strategic plans/direction of Meda and its Group and to monitor the implementation of such plans/directions by the Management.
2. Review and adopt corporate objectives of Meda and its Group which includes performance targets and long-term and medium-term goals.
3. Oversee the resources and operational conducts of the Meda and its Group's businesses and to determine whether the businesses are being properly managed.
4. Identify principal risks of the Meda Group and to ensure the implementation of appropriate internal control and mitigation measures.
5. Succession planning for Senior Management, including the implementation of appropriate systems for recruiting, training, determining the appropriate compensation benefits and where necessary replacing any member of the Senior Management.
6. Oversee the development and implementation of a shareholders' communication policy or investors' relations program for the Company, to enable effective communications with its shareholders and stakeholders.
7. Review the adequacy and integrity of the Group's internal control systems and management information systems which includes appropriately sound framework systems of reporting and to ensure regulatory compliance with applicable laws, regulations, rules, directives and guidelines.
8. The Board delegates certain responsibilities to the various Board Committees with clearly defined terms of reference to assist the Board in discharging its responsibilities.

3.2 **POWERS AND DUTIES**

1. The Directors may exercise all such powers of the Company and do all such acts on behalf of the Company in managing the business of the Company within the scope of the Company's Memorandum and Articles of Association ("M & A") and of the Companies Act, 1965 ("Act") and their subsequent amendments thereto.
2. The Board to establish written procedures in determining the relevant issues which require the decision of the Board and issues which can be delegated to the Board Committees or to the Management.
3. The Board has full decision-making powers on the following matters:
 - (a) Conflict of interest issues relating to a substantial shareholder of a Director.
 - (b) Material acquisitions and disposals of assets (including shares) which are not in the ordinary course of business of Meda and its Group.
 - (c) Investments in capital projects, major capital expenditure and capital management.
 - (d) Authority levels.
 - (e) Annual operating budgets.

- (f) Corporate strategies.
 - (g) Treasury policies.
 - (h) Risk Management policies.
 - (i) Key Human Resource issues.
 - (j) Any other issues which may be decided by the Board from time to time.
4. The Directors shall at all time act in good faith and in the best interest of the Company and exercise due care and diligence in the discharge of their duties.
 5. The Directors should contribute their independent judgement in any decision-making of the Board.
 6. The Independent Directors should provide independent judgement, experience and objectivity in decision-making without being subordinated to operational considerations.
 7. The Independent Directors should help to ensure that the interests of all shareholders are taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.
 8. The views of the Independent Directors should carry significant weight in the Board's decision-making process.
 9. The Board to undertake an assessment of its independent Directors annually.
 10. The Board to formalize ethical standards through a code of conduct and ensure implementation of appropriate internal systems to support, promote and ensure its compliance that should include appropriate communication and feedback channels which facilitates whistle-blowing.
 11. Board will regularly evaluate economic, political, social and legal issues and any other relevant external matters that may influence or affect the development of the Business or the interests of Shareholders and, if thought appropriate, will take outside expert advice on these matters.

4. **BOARD COMPOSITION AND SIZE**

The Board determines the Board size and composition, subject to limits imposed by the Company's Articles of Association. The Articles of Association provides for a minimum of two (2) directors and a maximum of twelve (12).

In compliance with Paragraph 15.02 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements, at least one-third of the Board shall comprise of Independent Directors. In the event the number is not three or in the multiples of three, then the number nearest to one third shall be used. The Board shall comply with the Bursa Securities Listing Requirements as may be amended from time to time in respect of the composition of the Board.

The composition of the Board shall reflect the level of investment in the Company by shareholders apart from the largest shareholders. The Board shall have a balance mix of skills, knowledge and expertise to ensure its effectiveness.

The Executive Directors shall together with the Management Team are responsible for the making and implementing of operational decisions. The Non-Executive Directors play a key supporting role in contributing their skills, expertise and knowledge towards the formulation of the Group's strategic and corporate objectives, policies and decisions.

There is a separation of the role between the Company's Chairman and that of the Group Managing Director to ensure a clear division of responsibilities and a balance of control, power and authority.

A Director has the duty to notify the Chairman of the Company before accepting any new directorship appointment with the indication of time that he/she would spend on his/her new appointment.

5. **CHAIRMAN**

The Board will appoint a Chairman from among the Directors. In addition, the Board may also appoint a Deputy Chairman.

Both the Chairman and Deputy Chairman may be an executive or non executive Director. The Deputy Chairman will deputise for the Chairman in his absence or at his request.

The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role. The Chairman is responsible for:

- a) Reviewing minutes of meetings of the Board before meeting, to ensure they accurately reflect the Board's deliberations, and matters arising from the minutes and on further action is required have been addressed.
- b) leading the Board in setting the values and standards of the Company;
- c) maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
- c) ensuring the provision of accurate, timely and clear information to members of the Board;
- d) ensuring effective communication with shareholders and relevant stakeholders;
- e) arranging regular evaluation of the performance of the Board, its Committees and individual Directors;
- f) facilitating the effective contributions of all members of the Board;

The Chairman, in consultation with the Group CEO/COO and the Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda.

The Chairman is responsible for managing the business of the Board to ensure that:

- all Directors are properly briefed on issues arising at Board meetings.
- sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion.

The Board communicates with shareholders at Shareholders' meetings and through the distribution of its annual reports. The Chairman normally chairs these meetings where he will use this as an opportunity to inform shareholders of the Company's affairs including its performance. The Chairman ensures that every Board resolution is put to vote by the Directors to ensure the will of the majority prevails.

The Chairman will have a casting vote in the event of an equality of votes except where only two Directors form a quorum and where only two Directors are competent to vote on the question at issue.

6. CHIEF EXECUTIVE OFFICER (CEO)/CHIEF OPERATING OFFICER (COO)

The CEO/COO is the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions.

The CEO/COO has the executive responsibility for the day-to-day operations and management of the Company's businesses with all powers, discretions and delegations authorised from time to time by the Board.

All Board authorities conferred on the Management is delegated through the CEO/COO and this will be considered as the CEO's/COO's authority and accountability as far as the Board is concerned.

The CEO/COO implements the policies, strategies and decisions adopted by the Board.

7. BOARD COMMITTEES

To assist the Board in fulfilling its duties and responsibilities, the Board has established four Committees as follows:

1. Audit Committee
2. Nomination Committee
3. Remuneration Committee
4. Risk Management Committee

Each Committee has a formal Terms of Reference and has its own functions and delegated roles, duties and responsibilities.

Each Committee has an obligation to report on its Meetings and deliberations to the Board and the minutes of all Committee Meetings are tabled to the Board Meetings for the Directors to take note.

Independent and Non-Executive Directors play a leading role in the first three committees above.

7.1 **AUDIT COMMITTEE**

The Audit Committee assists the Board in regards to the following:-

- Assess the Group's processes relating to its risks and control environment.
- Oversee financial reporting.
- Evaluate the internal and external audit processes.
- Ensure that financial statements comply with applicable financial reporting standards.
- Establish policies and procedures to assess the suitability and independence of the External Auditors.

7.2 **NOMINATION COMMITTEE**

The Nomination Committee assists the Board in regards to the following:-

- Recommend to the Board candidates for all directorships to be filled by the shareholders or the Board after considering the candidates' skills, knowledge, expertise and experience; professionalism; integrity and in the case of candidates for the position of independent non-executive directors, to evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors.
- Consider in making its recommendations, candidates for directorship proposed by the Chief Executive Officer and within the bounds of practicability, by any other senior executive or any director or shareholder.
- Recommend to the Board, directors to fill the seats on Board Committees.
- Develop criteria to be used for recruitment process, annual assessment of Directors and also assessment of independence.
- Review Board's succession plans.

7.3 **REMUNERATION COMMITTEE**

The Remuneration Committee assists the Board in regards to the following:-

- Set the policy framework and recommend to the Board, the remuneration of the Executive Directors in all its forms, drawing from outside advice as necessary with the objective of ensuring:-
 - (a) that the Company's Executive Directors are fairly rewarded for their individual contributions to the Company's overall performance.
 - (b) that the Company's Executive Directors are fairly rewarded for their individual contributions to the Company's overall performance.
 - (c) that the levels of remuneration are sufficient to attract and retain the Directors needed to run the Company successfully.
- Determine the remuneration packages of Non-Executive Directors, including that of the Non-Executive Chairman which should be a matter of the Board as a whole.

7.4 **RISK MANAGEMENT COMMITTEE**

The Risk Management Committee is a sub-committee of the Audit Committee and which assists the Board in regards to the following:

- To provide assurance to the Board that a sound risk management and internal control system are in place and in accordance with the regulatory and authorities requirements.
- To implement the processes for identifying, evaluating, monitoring and reporting of risks and internal controls.

8. **MATTERS RESERVED FOR THE BOARD**

The following matters shall be reserved for decision by the Board, supported by any recommendations as may be made from time to time by the Board Committees and/or Management:

- (a) Approval of the quarterly results and semi-annual returns for the announcement/submission to the Bursa Securities and the Securities Commission (“SC”).
- (b) Approval of the Directors’ Report and Audited Financial Statements and the authorization of signatory for Statement by Directors and Statutory Declaration.
- (c) Approval of the agendas for Annual General Meeting (“AGM”) and Extraordinary General Meeting (“EGM”).
- (d) To approve the payment of interim dividend.
- (e) To recommend the payment of final dividend for shareholders’ approval.
- (f) To propose the payment of directors’ fees for shareholders’ approval.
- (g) Approval for the formation of the Audit Committee, Executive Committee, Risk Management Committee, ESOS Committee, Remuneration Committee, Nomination Committee and such other Committee(s) and the committee members thereon.
- (h) Approval of the appointment, resignation and retirement of Directors.
- (i) Approval of the appointment and resignation of the Company Secretary.
- (j) To review and approve the acquisitions, joint ventures or disposal of a business undertaking or property of a substantial value pursuant to Section 132C of the Companies Act 1965 (5% or more of the net assets of the Company or subsidiary as the case may be based on Bursa Malaysia Securities Berhad’s Listing Requirements.)
- (k) To review and approve related party transactions and recurrent related party transactions.
- (l) To review and approve the circulars and prospectus to shareholders.

- (m) To approve the Annual Report (including the review and approval of the Statement on Internal Control, Directors' Responsibility Statement, Statement on Corporate Governance and Chairman's Statement).
- (n) To approve the issuance of new shares pursuant to Section 132D of the Companies Act 1965.
- (o) To recommend the increase of authorized capital of the Company for shareholders' approval.
- (p) To review and recommend the change of Company's name, amendment of object clauses and Articles of Association for shareholders' approval.
- (q) To review whether the Board's representation satisfies the requirement to fairly reflect the investment of the minority shareholders in the Company other than the significant shareholders.
- (r) To review the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board and assessing the effectiveness of the Board on the whole.
- (s) To examine the size of the Board with a view to determine the impact of the number upon its effectiveness.
- (t) To review and approve any new business ventures which are principally different from the Group's existing business.
- (u) To approve the opening and closing of the Company's bank accounts and the authorized signatories.
- (v) To accept credit facilities and to approve the issuance of corporate guarantees.
- (w) To review and recommend the appointment or re-appointment or termination of the External Auditors for shareholders' approval.
- (x) To review and approve the appointment or re-appointment or termination of the Internal Auditors.
- (y) To approve the change of registered office and share registrar.
- (z) To approve the creation of charge or debenture of the Company's assets.
- (aa) To approve the purchase or disposal of subsidiaries or associate companies subject to item (j) above.
- (ab) To review and ensure compliance on all relevant legal, tax and regulatory obligations
- (ac) To review and where applicable, to approve and endorse recommendations of the Board Committees.

- (ad) To review and monitor the systems of risk management and internal control framework and procedures, codes of conducts, whistleblower policy, dividend policy, continuous disclosure policy, regulatory and legal compliance and other significant corporate policies.
- (ae) To approve and monitor financials and other reporting and/or dissemination of information to the market, shareholders, employees and other stakeholders.
- (af) To approve any other matters that the Board may deem appropriate and necessary from time to time.

9. **BOARD MEETINGS AND PROCEDURES**

The Board shall meet at least 4 times a year and has a formal schedule of matters reserved for the Board to decide. Additional Board meetings are held as and when required. The quorum for the Board meeting shall be two (2) members.

The Notice of Meetings together with the relevant Board papers compiled by the Company Secretary shall be circulated to all the Directors at least 3 clear days before the meeting unless the Directors agree to a shorter notice.

The Directors may from time to time elect a Chairman. In the event the Chairman is not present within fifteen (15) minutes after the time appointed for holding the same, the Directors present shall choose one of their members to act as Chairman for the Meeting.

Every Director shall disclose his interest whether direct or indirect in any contract or proposed contract entered into with the Company.

No Director shall vote in respect of any contract or proposed contract or arrangement in which he is directly or indirectly interested unless such arrangements involve rights issue, bonus issue and dividend payment.

In accordance with Article 130 of the Articles of Association of the Company, a resolution in writing signed or approved by letter, telegram, telex, telefax, facsimile or e-mail by the majority of the Directors who are present in Malaysia, shall be valid and effectual as if it had been passed at a meeting of the Directors.

10. **DIRECTORS' APPOINTMENT AND RETIREMENT**

In accordance with the Company's Articles of Association, at the first annual general meeting of the Company all the Directors shall retire from office, and at the Annual General Meeting in every subsequent year one-third of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third, shall retire from office. Provided always that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires whether adjourned or not.

The Directors to retire in each year shall be those who, being subject to retirement by rotation, have been longest in office since their last election or appointment, but as between persons who

became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Directors who have attained the age of seventy years shall retire pursuant to Section 129(2) of the Companies Act, 1965 and subject to reappointment pursuant to Section 129(6) of the Companies Act, 1965.

Any appointment of new Directors and the re-election/appointment of Directors who are retiring pursuant to the Company's Articles of Association and Section 129 of the Companies Act, 1965 shall be deliberated and recommended by the Nomination Committee to the Board for the Board's decision and approval.

Pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the directorships entitled to be held by any Board member at any one time shall not exceed five (5) in listed companies as may be determined by Bursa Malaysia Securities Berhad from time to time.

11. **ALTERNATE DIRECTORS**

A Director may from time to time nominate a person, not being a Director, to act as his alternate and his discretion to remove such alternate Director but the appointment shall not take effect until approved by a majority of the other Directors. An alternate Director so appointed shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his/her appointor as such appointor may by notice in writing to the Company from time to time direct, but save as aforesaid, he/she shall not in respect of such appointment be entitled to receive any remuneration from the Company.

The alternate Director shall be entitled to receive notices of all meetings and to attend, speak and vote at any such meetings of Directors at which his appointor is not personally present. Any appointment so made may be revoked at any time by the appointor or by a majority of the Directors, and any appointment or revocation shall be effected by a notice in writing to be delivered to the Company Secretary. An alternate Director shall ipso facto cease to be an alternate Director if his appointor for any reason ceases to be a Director.

12. **VACATION OF OFFICE OF DIRECTORS**

The office of Director shall, ipso facto, be vacated :-

- (a) upon his/her attainment of the age of seventy (70) years, unless it has been previously approved by resolution passed by a majority of not less than three-fourths of such members of the Company entitled to vote in a general meeting of the Company;
- (b) if he/she ceases to be a Director by virtue of the Act;
- (c) if he/she resigns his/her office by notices in writing under his/her hand sent to or left at the Registered Office;
- (d) if he/she is removed from his/her office of Director by resolution of the Company in general meeting of which special notice has been given;

- (e) if he/she becomes of unsound mind during his/her term of office;
- (f) if he/she has becomes bankrupt during his/her term of office; or
- (g) if he/she becomes prohibited from being a Director by reason of any order made under the provisions of the Companies Act, 1965 or contravenes Section 130 of the Companies Act, 1965.

13. **ACCEPTANCE OF NEW DIRECTORSHIPS IN OTHER COMPANIES**

Directors are required to notify the Chairman before accepting any new directorships in other companies. The Director should give a confirmation to the Board that he will devote sufficient time to carry out his responsibilities.

14. **REMUNERATION OF DIRECTORS**

The Directors shall be paid by way of remuneration for their services rendered.

The fees payable to the Directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the Company in general meeting and shall (unless such resolution otherwise provided) be divisible among the Directors in such proportions as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he/she has held office, provided always that :-

- (a) fees payable to Non-Executive Directors shall be by a fixed sum, and not by commission on or percentage of profits or turnover;
- (b) salaries payable to Executive Directors may not include a commission on or percentage of turnover;
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and
- (d) any fee paid to an alternate Director shall be agreed upon between himself/herself and the Director nominating him/her and shall be paid out of the remuneration of the latter

The Directors shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be properly and necessarily incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.

The Remuneration Committee shall set the policy framework for the remuneration of the Executive Directors and deliberate on the remuneration packages of Non-Executive Directors including that of the Chairman and shall then give their recommendation to the Board for the Board's decision and approval. It is the decision of the Board in establishing formal and transparent remuneration policies and procedures to attract and retain Directors.

No Director other than the CEO/COO and the Executive Directors shall have a service contract with the Company.

15. **DECLARATION OF INTEREST/CONFLICT OF INTEREST**

In view of the diversity of the business activities of the Group, the Directors are expected to minimize the possibility of conflict of interest in their involvement with the Group by restricting their involvement in businesses that could lead to a conflict of interest situation.

In the event of the occurrence of a conflict of interest situation, the particular Director shall declare his/her interests and excuse himself/herself from Board discussions and deliberations and voting in respect of those resolutions/interests.

A Director who is in any way, whether directly or indirectly interested in a contract or proposed contract with the Company shall declare the nature of his/her interests in accordance with the provisions of the Companies Act, 1965. Every Director shall give notice to the Company of such events and matters relating to himself as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Companies Act, 1965.

16. **ACCESS TO THE ADVICE AND SERVICES OF THE COMPANY SECRETARY**

The Board members have access to all information within the Company and the Group and to the professional advice and services of its qualified Company Secretary in the course of discharging their duties and responsibilities and in fulfilling their obligation to statutory requirements, the Bursa Malaysia Securities Berhad Listing Requirements and other applicable laws, rules and regulations, either as a full Board or in their individual capacity.

17. **INDEPENDENT ADVICE**

A Director of the Company, after consultation with the Chairman and/or the CEO/COO/Managing Director, is entitled to seek independent professional advice (including but not limited to legal, accounting and financial advice) either collectively or individually as may be considered necessary in furtherance of their duties or on any matter connected with the discharge of their responsibilities at the expense of the Company.

18. **DIRECTORS' TRAINING**

In compliance with Bursa Securities Listing Requirements, all Directors are required to attend the Mandatory Accreditation Programme. The Directors will undergo such similar or continuing training and education programs from time to time to equip and keep themselves updated and abreast on the latest and new developments in order to discharge their duties and responsibilities more effectively.

The Board will assess the training needs of the Directors and the Directors are also required to attend any such courses or training as may be decided by the Board be they pertaining to the new developments in laws, regulations, governance or commercial risks but also in respect of

the Group's industries and businesses and operations which may affect the Board and the Group.

All new Directors appointed to the Board will be given briefings on the overall business operations of the Group. The new Directors will also be provided with a list of the extract of the relevant Acts, rules and regulations from the Companies Act 1965, Bursa Malaysia Securities Berhad's Listing Requirements and the Securities Commission. However, as the list given is not exhaustive, the new Directors are advised to seek the advice from the Company Secretary on matters that they would require further information and clarification. Pursuant to Bursa Malaysia Securities Berhad's Practice Note 5 and in compliance with Paragraph 15.08 of Bursa Malaysia Securities Berhad's Listing Requirements, the Board shall on a continuous basis evaluate and determine the training needs of its Directors, which subject matter of training shall be one that aids the Director in the discharge of his/her duties as a Director.

19. **ROLE OF THE COMPANY SECRETARY**

The Company Secretary who reports to the CEO/COO/Board has an important role in advisory and assisting the Board and Committees in achieving good corporate governance and ensuring compliance of statutory laws, rules and regulations and in safeguarding the Company's and Board's interests. Amongst others, the function of a Company Secretary are as follows :-

- (a) Advise the Board on matters pertaining to the compliance of statutory laws, rules and regulation of the Companies Act, 1965, Bursa Securities Listing Requirements, the Securities Commission guidelines and other relevant legislation and authorities and ensure compliance thereof.
- (b) Proper maintenance of the Group's statutory records, register books and documents.
- (c) Attend and ensuring proper conduct and procedures at Annual General Meetings, Extraordinary General Meetings, Board Meetings, Board Committees' Meetings and any other meetings and the preparation of minutes thereafter.
- (d) Ensure that the interests of the Board and that of the Company are protected.

20. **ACCESS TO INFORMATION**

The Company aims to provide all Directors with timely and quality information and in the form and manner appropriate for them to discharge their duties effectively.

The Management is responsible for providing the Board with the required information in an appropriate and timely manner.

The Chairman assisted by the Company Secretary, assesses the type of information required to be provided to the Board. If the information provided by the Management to the Board is insufficient, the Board could make further enquires where necessary to which the persons responsible will respond as promptly as possible.

A full agenda and comprehensive Board papers are circulated to all Directors well in advance of each Board Meetings.

Full Board Minutes of each of the Board Meetings are kept by the Company Secretary.

21. **FINANCIAL REPORTING**

21.1 **TRANSPARENCY**

The Company aims to present a clear and fair assessment of the Company's financial position and future prospects in respect of all quarterly results, annual financial statements and announcements issued by the Company within the stipulated timeframe.

The Board is assisted by the Audit Committee to scrutinize information for disclosure to ensure its timeliness, accuracy and adequacy.

The Board ensures that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the approved accounting standards.

21.2 **COMPANY'S EXTERNAL AUDITORS**

The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company's Auditors through its Audit Committee.

The External Auditors are invited to attend the Audit Committee Meeting where the Group's annual financial results are considered, as well as at meetings to review and discuss the Group's audit findings, internal controls and accounting policies, as and when the need arises.

Appointment of the Company's Auditors is subject to the approval of the shareholders at the Annual General Meetings of the Company. The Company Auditors have to retire during the Annual General Meeting held every year and be re-appointed by the shareholders for the ensuing year at the remuneration to be determined by the Board.

22. **INTERNAL AUDIT FUNCTION**

The Board has established an internal audit function for the Group which critically reviews the adequacy of the operational controls and procedures so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively within the Group. Comprehensive audits of the practices, procedures and internal controls of all business units and subsidiaries are undertaken on a regular basis.

The Head of Internal Audit has direct access to the Board through the Chairman of the Audit Committee.

The Board ensures that the system of internal controls is reviewed on a regular basis and the Audit Committee receives reports regarding the findings and outcome of the audits and reviews on a regular basis.

23. **INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION POLICY**

The Board ensures timely release of financial results and various announcements to provide shareholders with an overview of the Company's performance, corporate strategies and other matters affecting the shareholders' interests. The Board maintains appropriate corporate disclosure policies and procedures which is in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board maintains an effective communication policy that enables the Board (in particular the Executive Board members) to communicate effectively with its shareholders, stakeholders and the public in general. As part of the Board's commitment towards having an effective investor relations and shareholders communication policy, the following have been established:

- (a) an interactive and dedicated website for the Group which can be assessed by the public at large at www.meda.com.
- (b) the Company's Investor Relations and Communications Department attends to the Group's communication needs and whenever required, the services of an external public relations firm will be engaged to promote the Group's image and to create greater public awareness of the Group's products and services besides fostering and maintaining closer relations with the press and other members of the media.
- (c) the Group Company Secretary maintains most of the official correspondences with the various authorities.
- (d) the Annual General Meeting provides an additional forum for shareholders' interaction and participation and feedback with the Company. The Board also encourages poll voting where necessary.
- (e) media and analyst briefings are held by the Company to explain any major corporate exercises and/or to discuss the financial performance of the Group from time to time.

24. **EMPLOYEES**

The Board acknowledges that the employees are invaluable assets of the Company and that they play a vital role in achieving the vision and mission of the Group. The Company adopts a comprehensive and documented policy and procedures in respect of the following:-

- (a) Occupational safety and health with the objective of providing a safe and healthy working environment for all employees.
- (b) Industrial relations with the objective of managing employees' welfare and well-being in the workplace.
- (c) Employees' retention scheme and benefits.

25. **PRINCIPLES AND RULES OF BUSINESS AND CONDUCT AND WHISTLE BLOWING POLICY**

The Board is committed to achieving and maintaining high standards with regards to behavior at work. The Principles and Rules of Business Conduct of the Group set out the guiding

principles, which the employees and Directors shall not depart from in conducting the day to day duties and operations.

26. **CORPORATE SOCIAL RESPONSIBILITIES**

The Board is committed in performing its corporate social responsibilities with various charitable activities carried out by the Group and also the academic performance awards to deserving children of Meda's staff.

27. **ACCESS TO THE BOARD CHARTER**

The Board Charter is available to each Director of the Company, the Company Secretary, relevant Senior Management staff of the Company, external Auditors and Internal auditors. The Board Charter is available to other external parties upon request and upon the approval of the Chairman or CEO/COO/Managing Director.

28. **REVIEW OF THE BOARD CHARTER**

The Board shall review the Board Charter at least once in every financial year and to make any necessary amendments/improvements thereto as and when the Board deems necessary.

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