



HEXTAR HEALTHCARE BERHAD
(formerly known as Rubberex Corporation (M) Berhad)
199601000297 (372642-U)

BOARD CHARTER

1.0 Introduction

The Board of Directors (“the Board”) for undertaking the business operations and affairs of Hextar Healthcare Berhad (formerly known as Rubberex Corporation (M) Berhad)(“Hexcare” or the “Group”) and its subsidiaries and/or collectively, the “Group”) in the interest of its shareholders. In addition, the Board is responsible for identifying areas of significant business risks, ensuing arrangements are in place to adequately manage those risks and having in place effective internal controls.

2.0 Purpose of the Board Charter

The Board Charter sets out the objectives of the Board, the Company’s and the Group’s organisation structure and the manner in which the Board exercises its authority, discharges its director’s duties and allocates responsibilities in managing the affairs of the Company and of the Group.

3.0 Composition of the Board

3.1. Structure

Under the Company’s Articles of Association, the Board is to be made up of a minimum of two (2) directors and a maximum number of twelve(12) directors. Currently, the Board comprises of six(6) directors, two(2) of whom are independent directors, three (3) are non-independent non-executive directors and one(1) Managing Director.

3.2. Independence criteria

A director will be considered independent if he or she is independent of management and free from any businesses or other relationship that could interfere with the exercise of objective judgements or ability to act in the best interests of the Company. In particular, an independent director is one who:-

- Is not an executive director of the Company or any related corporation of the Company;
- Has not been within the last two(2) years and is not an officer (except as a non-executive director) of the Company. For this purpose, “officer” has the meaning given in section 2 of the Companies Act 2016;
- is not a major shareholder of the Company;
- is not a family member of any executive director, officer or major shareholder of the Company;
- is not acting as a nominee or representative of any executive director or major shareholder of the Company;
- has not been engaged as an adviser by the Company under such circumstances as prescribed by Bursa Malaysia Securities Berhad (the “Exchange”) or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the Company under such circumstances as prescribed by the Exchange; or has not engaged in any transaction with the Company under such circumstances as prescribed by the Exchange.

Adopting the recommendation set out in the Malaysian Code on Corporate Governance 2017, the Company does not consider a director to be independent if the tenure of that independent director has exceeded nine(9) years, unless he or she is reappointed by the shareholders at each Annual General Meeting (AGM) or in the case of an independent director serving more than twelve(12) years, he or she has to be approved by shareholders at an AGM through a two tier voting process.

The Company considers the role of its independent directors to be critical to the objectivity of decisions made by the Board and in striking an appropriate balance of the interests of all stakeholders for the Company’s long term benefit.

3.3. Compensation

Each director is entitled to remuneration out of the funds of the Company as the directors determine, in accordance with, and subject, to the Articles of Association of the Company.

The non-executive members of the Board receive a fixed base fee as consideration for their Board duties. In addition, the Board members may receive a fixed fee for their work on committees established by the Board.

The remuneration of the Board is determined on the basis of market benchmarking and reflects demands for competencies, time commitments and efforts in the light of the scope of their work and the number of board and committee meetings required and held during the year.

Each director is also entitled to other benefits and reimbursements in the form of travelling allowances and mileage claims yearly. The total fees payable annually to the non-executive directors have to be approved by shareholder in general meeting.

3.4. Appointment to the Board

In considering the appointment of new potential Board candidates, the following factors shall apply:-

- The skills and experience appropriate for an appointee will be determined, having regard to those of the existing directors and any other likely changes to the Board;
- Upon identifying a potential appointee, their competencies and qualification, independence, other directorships, time availability and the effect that their appointment would have on the overall balance of the composition of the Board and diversity of views and opinions will be considered; and
- the proposed appointee must be approved unanimously by the existing Board members.

4.0 Duties, Responsibilities and Powers of the Board

4.1 Management of the business of the Company and the Group

The directors are responsible for managing the business of the Company and the Group and may exercise all the powers of the Company as required by and provided in the Companies Act 2016, the Memorandum and Articles of Association of the Company and/or the Main Market Listing Requirements of Bursa Malaysia (“Listing Requirements”)

4.2 Matters reserved for the Board

Matters which are reserved for the Board include:-

- in conjunction with Management, establishing a vision and strategies for the Company;
- approving the Company’s annual business plan and budget;
- approving the risk management framework and internal control policies and procedures for the Company;
- approving the appointment of the internal auditor and the annual internal audit plan;
- approving specific items of capital expenditure and investments and divestments above certain financial thresholds;
- appointing and approving the terms and conditions of appointment of the Managing Director (MD) and senior management, and the total remuneration package of bonuses and salary increments to the employees of the Company;

- approving the remuneration and performance- based policies of the Company;
- appointing Directors to the Board;
- approving the quarterly and yearly financial statements;
- approving the interim and final dividends to shareholders;
- approving the adoption of any significant changes to accounting policies;
- approving the terms of reference and membership of Board Committees; and
- approving other Company policies which may be developed from time to time.

4.3 Compliance with laws and internal codes of conduct

The directors must comply with all relevant requirements of law, including those set out in the Companies Act 2016 and relevant common law duties.

In addition, all directors must comply with the Code of Conduct and Ethics of the Company in carrying out their duties and representing the Company, developed and approved by the Board from time to time.

4.4 Delegation of powers

The directors may resolve to delegate any of his or her powers to an officer, agent or attorney and the officer, agent or attorney must exercise the powers delegated in accordance with any directions of the directors.

4.5 Establishment of Committees

The directors may resolve to delegate any of their powers to a committee or committees consisting of such number of directors as they think fit.

A committee to which any powers have been so delegated must exercise the powers delegated in accordance with any directions of the Company.

The Board has set up the following Board Committee to undertake specific functions:

- Audit Committee;
- Nomination Committee; and
- Remuneration Committee.

Membership of all the Board Committees comprise solely of present directors of the Company. The terms of references of each of the Board Committees are established and set out on the Company's website.

4.6 Chairman and Managing Director (“MD”)

The position of Chairman and MD are held by separate persons to ensure a balance of power at the Board level and to allow for clear division of responsibilities between the Board and executive management. As the Chairman’s position is non-executive, the MD has the primary responsibility for the day-to-day management of the affairs of the Company and the implementation of the Board’s decisions.

The responsibilities of the Chairman include:-

- ensuring the effectiveness of the Board as a whole;
- the proper and effective conduct of proceedings at Board meetings;
- Ensuring participation and contribution of value from all directors;
- promoting constructive and respectful dialogue among the directors at Board meetings and between directors and the management;
- chairing and promoting the effective conduct of general meetings of the Company.

The responsibilities of the MD include:-

- Proposing and implementing the business strategies and objectives of the Company;
- day-to-day management of the business and affairs of the Company;
- ensuring that the Company has in place adequate risk management and internal controls in compliance with policies and procedures approved by the Board;
- ensuring the Company complies with financial reporting standards, the listing Requirements and applicable laws;
- bringing material and other relevant information to the attention of the Board in a complete and timely manner;
- representing the Company in dialogues and communications with shareholders, the media and other members of the public.

5.0 Proceedings

5.1. Meeting frequency

The directors may hold meetings for the dispatch of business and adjourn and otherwise regulate their meetings as they think fit. Director’s meetings are held on scheduled dates at least four(4) times a year.

5.2. Board papers

Relevant documents to be considered at Board meetings will be compiled and distributed by the Company ahead of meetings to all directors as well as to any invitees to relevant Board meetings with sufficient time given to the directors for review of the documents before the meetings.

5.3. Attendance at Board meetings

The Board may extend an invitation to any person to attend all or part of a scheduled Board meeting. The board may appoint and consult any external advisors or third party service providers in respect of any matter before the Board.

5.4. Quorum and Voting

A quorum for a meeting of the Board is two directors. Only Board members shall be eligible to vote at a Board meeting except where a Board member has an interest in a matter before the Board.

5.5. Minutes

Minutes of proceedings and resolutions of meetings of the directors and resolutions passed by directors without a meeting, are to be recorded and entered in the Company Register within one month after the meeting is held or the resolution passed.

Minutes of a meeting must be signed by the chair of the meeting or the chair of the next meeting at a reasonable time after the meeting.

A resolution may be made if a document containing the relevant resolution is assented to by all Board members eligible and willing to participate in the making of the resolution.

The resolution will be taken to have been passed when the documents is last assented to by a Board member. Where a Board member has assented by means other than writing, that Board member must sign the document containing the relevant resolution within a reasonable time after having provided their assent.

5.6 Access to information and Advice

The directors are able to and do generally seek further information, advice, and comments from the Company Secretary, Head of Internal Audit and/or the Financial Controller as and when considered appropriate. Directors also have access to the services of external advisers or consultants for the proper discharge of their duties at the Company's expense should the need arise.

6.0 Orientation and Continuing Education

On appointment, directors take part in an induction programme where they receive the latest information about the Company. This is supplemented by visits to key locations and meetings with senior executives. Directors are also reminded on appointment of their legal and other obligations as a director of a public listed company.

In addition to the Mandatory Accreditation Programme required by Bursa Malaysia Securities Berhad, directors are required by the Board to update their knowledge and skills through continuing education programmes arranged by the Company or by external providers.

7.0 Company Secretary

The Board appoints the Company Secretary for the Company.

The Company Secretary plays an important role in advising the Board on compliance with the Listing Requirements, the Companies Act 2016 and other relevant laws and regulations.

The Company Secretary's duties and responsibilities include among others:-

- Statutory duties specified under the Companies Act 2016 and the listing Requirements;
- Facilitating and attending Board and Board Committee meetings and ensuring that the meetings are properly convened and proceedings are properly recorded;
- Ensuring timely communication of Board level decisions to the Management;
- Ensuring that all appointments to the Board and Board Committees are properly made;
- Maintaining records for purpose of meeting statutory obligations;
- Providing information as may be requested by the Directors from time to time;
- Keeping the Board and the Management updated on any changes or updates to corporate governance or statutory regulations;
- Supporting the Board in ensuring adherence to Board policies and procedures including the compilation and dissemination of the results of the Board and Board Committees assessments.

8.0 Investor Relations and Communications with Shareholders

The Company seeks to promote effective communication to its shareholders and other stakeholder through the timely and complete disclosure of all relevant information as required by the Listing Requirements and other applicable laws.

The communication channels include the Company's annual report, disclosures and announcements made to Bursa Malaysia Securities Berhad, analyst briefings, press

statements and other public communications, notices of meetings and explanatory documents issued to shareholders as the case may be.

As part of the Board's responsibility in developing and implanting an investor relations programme, formal and informal dialogues are held between senior management and analysts or fund managers throughout the year.

The Annual General Meeting is the principal forum for dialogue with shareholders. The Company makes every effort to encourage maximum participation of shareholders at the Annual General Meeting and/or extraordinary general meetings. Relevant notices of the Annual General Meeting and the Company's Annual Report together with company circulars (if any) are sent out to shareholders at least twenty-eight(28) days prior to the date of the said meetings(s).

Aside from general meetings, the Company encourage shareholders to provide feedback and raise queries to the Company through other channels of communication including the use of the corporate website, by email or sending written communications to the Company Secretary or to the Company directly.

9.0 Amendment and Review of the Board Charter

The Board must review this Charter on an annual basis to ensure it remains consistent with its objectives, the Company's Memorandum and Articles of Association and existing regulatory requirements and recommendations.

The Board Charter is available on the Hexcare Corporate website at www.rubberex.com.my

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