

ALPHA IVF GROUP BERHAD
[Registration No. : 202101005100 (1405399-X)]

BOARD CHARTER

Overview

1. The Board of Alpha IVF Group Berhad (“**AIG**” or “**the Company**”) is committed to safeguarding the interests of its stakeholders and recognises the importance of corporate governance in ensuring that the principles of good corporate governance are practised and appropriate governance structure is in place in creating, protecting and enhancing shareholders’ and stakeholders’ values and in promoting stability.
2. The Board is committed to ensuring that the Company’s corporate governance is in line with the principles and best practices set out in the Malaysian Code on Corporate Governance (“**MCCG**”) and ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”). The Board further acknowledges the recommended best practices and the adopted alternative practices set out in the MCCG and continues to evaluate the status of the practices and the adopted alternatives.

Purpose

1. This Board Charter sets out the principal functions, composition, roles and responsibilities of the Directors in accordance with good corporate governance practice set out in policies, rules and regulations issued by the regulatory bodies, for the general administration of the Company and its subsidiaries (“**the Group**”).
2. The Board sets the strategic direction and vision of the Group with the express assistance of key management of the Group. The Board is fully responsible for its duties in leading, governing and monitoring the performance of the Company and ensuring management is able to execute its functions effectively.

Composition and Board Balance

1. The size of the Board will follow the guidelines set by:-
 - The Company’s Constitution;
 - MCCG; and
 - Listing Requirements.
2. The Board shall determine the appropriate size of the Board and in determining the size, consideration shall be given to enable an efficient and effective Board deliberation during meetings and the size of the Board shall commensurate with the complexity, scope and operations of the Company.
3. The size and composition of the Board shall be reviewed from time to time to reflect Company’s requirements and to facilitate effective decision making.

4. On the appointment of new Directors to the Board, the Company's Fit and Proper Policy served as a vital component of the governance process in determining the quality, integrity, credibility and competencies of the Board. New appointments to the Board are only made after consultation with the Nomination Committee, where Nomination Committee is responsible for assessing the candidates based on the criteria set in the Company's Fit and Proper Policy. In making its recommendation, the Nomination Committee will also consider the required mix of skills, experience, gender diversity and other qualities, where applicable.
5. The Board shall comprise at least 30% women directors and a majority of Independent Non-Executive Directors to provide check and balance and effective oversight of management.
6. A Director must not hold more than five (5) directorships in listed issuers to ensure his/her time commitment and resources will not be affected in discharging his/her duties effectively.
7. The Independent Directors ("ID") shall ensure all issues proposed by the Executive Directors and management are fully discussed and examined to take account of long-term interests of shareholders and stakeholders.
8. The Board shall be under the leadership of the Chairperson who is elected by the Board. Chairperson is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. The Chairperson of the Board should not be a member of the Audit and Risk Management Committee, Nomination Committee or Remuneration Committee.
9. The positions of Chairperson and Chief Executive Officer ("CEO") shall be held by two different individuals to ensure separation of power, promotes accountability and facilitates the division of responsibilities. Chairperson is responsible for leading the Board in its collective oversight of management, while CEO focuses on the business and day-to-day management of the Group.
10. The tenure of an ID shall not exceed a cumulative term of nine (9) years. The ID may continue to serve on the Board beyond the ninth-year tenure provided the ID is re-designated as a Non-Independent Non-Executive Director. In the event the director is to remain designated as an ID, the Board shall first justify and obtain shareholders' approval on a year-to-year basis through a two-tier voting process.

Secretary(ies)

1. The Board appoints the Company Secretary(ies) who plays an important advisory role and ensures that the Company Secretary(ies) fulfils the functions for which he/she has been appointed.
2. The Company Secretary(ies) shall diligently undertake continuous professional development to keep abreast of relevant corporate governance and regulatory requirements.

Roles and Responsibilities

Role and Responsibilities of the Board

1. The Board takes full responsibility for the performance of the Group and guides the Group towards achieving its short and long-term objectives, setting corporate strategies for growth and new business development while providing advice and direction to the Management to enable the Group to achieve its corporate goals and objectives.
2. The Board shall objectively discharge their duties and responsibilities at all times as fiduciaries in the best interest of the Group, the shareholders and other stakeholders. Every Director is required to keep abreast of his/her responsibilities as a Director and of the conduct, business activities and development of the Group.
3. In discharging its responsibilities, the Board shall undertake, among others, the following responsibilities:-
 - (a) Understand shareholders' expectations and contribute to the development of strategies of the Group in their best interest to enhance shareholders' value including taking into consideration the integration of strategies on environmental, social and governance;
 - (b) Identify the principal risks and key performance indicators of the Group's businesses, including sustainability risks, and ensure that appropriate systems are implemented to manage these risks;
 - (c) Review the adequacy and the integrity of the Group's risk management framework, internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
 - (d) Establish an effective risk management and internal control framework, determine the Group's level of risk tolerance and actively identify, assess and monitor key business risks;
 - (e) Develop a succession plan for Board members and key management;
 - (f) Ensure key management has the necessary skills and experience;
 - (g) Delegate certain responsibilities to the various Board Committees with clearly defined terms of reference to assist the Board in the discharge of its responsibilities. All Directors should objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. All Directors must act with integrity, lead by example, keep abreast of his/her responsibilities as a Director and of the conduct, business activities and development of the Company.
 - (h) Ensure that all its directors are able to understand financial statements and form a view on the information presented; and ensure that financial statements are fairly stated and otherwise conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements and approve financial statements for declaration to Bursa Securities on quarterly and annual basis;
 - (i) Oversee corporate governance and compliance matters;

- (j) Adopt performance measures to monitor the implementation and performance of the strategy, policies, plans, legal and fiduciary obligations that affect the Group's business;
 - (k) Review and address sustainability risks including climate-related risks and opportunities in an integrated and strategic manner to support the Group's long- term strategy and success;
 - (l) Set corporate values and clear lines of responsibility and accountability that are communicated throughout the Group;
 - (m) Ensure that the operations of the Group are conducted prudently within the framework of laws and policies;
 - (n) Ensure that adequate framework and control systems are in place to safeguard the interests of the Group;
 - (o) Establish and review the Code of Conduct and Ethics, and together with management implements its policies and procedures, which include measures in managing conflict of interest, preventing the abuse of power, corruption, insider trading and money laundering to ensure high standards of integrity, ethics and corporate behavior in the conduct of business;
 - (p) Establish, review and together with management implements Policies and Procedures on anti-money laundering and terrorism financing, anti-bribery and corruption as well as Whistleblowing; and
 - (q) Initiate a Board self-evaluation program and follow-up action to deal with issues arising and arrange for directors to attend courses, seminars and participate in development programs as the Board judges appropriate.
 - (r) Ensure that the company has in place procedures to enable effective communication with shareholders and stakeholders.
4. The Board has full decision-making powers, save for the matters requiring the approval of shareholders.
 5. The Board should have access to all information pertaining to the Group. Management should supply accurate and complete information to the Board in a timely manner to enable the Board to discharge its duties effectively.
 6. The Board should be able to consult advisers and, when necessary, to seek independent professional advice at the Company's expense through an agreed procedure.

Role and Responsibilities of the Chairperson

1. The Chairperson is responsible for the overall leadership and efficient functioning of the Board. The Chairperson shall have the following duties:-
 - (a) Instilling good corporate governance practices and providing leadership to the Board ensuring Directors contribute effectively;
 - (b) Set the board meeting agenda and ensure Board members receive accurate, timely and clear information to facilitate decision making;

- (c) Lead board meetings and discussions;
- (d) Ensure all issues in the agenda are covered in meetings;
- (e) Encouraging active participation and facilitating constructive relations between Directors;
- (f) Ensure effective, interactive and robust discussion including communication with stakeholders and that their views are communicated to the Board as a whole and key management;
- (g) Monitor workings and conduct of the Board and act on results of Board performance evaluation by recognising strengths and addressing weaknesses of the Board; and
- (h) Lead the Board in the adoption and implementation of good corporate governance practices.

Role and Responsibilities of the CEO

1. The CEO is responsible for the daily management, operations and administration of the Group. The CEO shall have the following duties:-
 - (a) Oversee day-to-day operations of the Group;
 - (b) Ensure a culture of good corporate governance and accurate reporting;
 - (c) Provide effective leadership to the Group;
 - (d) Provide direction on business development, and make appropriate recommendations to the Board on proposed strategic investments and corporate exercises; and
 - (e) Implement integrating sustainability considerations in the day-to-day operations of the Group and ensure the effective implementation of the Group's sustainability strategies and business plans.

Role and Responsibilities of the ID

The IDs shall have the following duties:

- (a) Provide independent views, advice and judgement to matters under consideration by the Board;
- (b) Provide the relevant check and balance by bringing impartiality and scrutiny to Board deliberations and decision-making;
- (c) Ensure that the long-term interests of all the shareholders and stakeholders of the Company are taken into account by the Board and that the relevant issues are subject to objective and impartial consideration by the Board;
- (d) Constructively challenge and contribute to the development of the Group's strategies; and
- (e) Oversee the performance of the management in meeting agreed objectives and monitor the reporting of performance.

Roles of Board Committees

1. The Board may from time to time establish Board Committees as it considers appropriate to assist in carrying out its duties and responsibilities effectively. The Board has established the following Board Committees to assist the Board in discharging its duties and responsibilities:-
 - (a) Audit and Risk Management Committee;
 - (b) Nomination Committee; and
 - (c) Remuneration Committee
2. The Board Committees shall operate under clearly defined Terms of Reference (“**ToR**”). The Board Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their ToR.
3. The Chairperson of the respective Board Committees’ reports to the Board on the outcome of the Board Committees’ meetings and the minutes will be included in the Board Papers for Board’s notification.

Board Meetings

1. The Board shall meet at least four (4) times a year at quarterly intervals, with additional meetings to be convened when urgent and important decisions are to be made between the scheduled meetings. The Board shall deliberate on a variety of matters, including the quarterly financial results, annual audited financial statements, corporate proposals and other matters of the Company and Group during the meeting.
2. Board meetings shall be called with a minimum of seven (7) working days’ notice. The notice can be shorter if the Chairperson deems it acceptable for practicable or urgent reasons.
3. In order to allow sufficient time for better deliberation of the meeting, Board meeting papers and agenda are to be circulated within a reasonable period of time before the actual meeting.
4. The quorum necessary for the transaction of business of the Directors shall be two (2) members.
5. The Board may hold a Board meeting at two (2) or more venues within or outside Malaysia using any technology that gives the Board members a reasonable opportunity to participate, provided that at least one (1) of the Board members present at the meeting was at such place for the duration of that meeting. All information and documents must be made equally available to all participants prior to or at/during the meeting.
6. The Company Secretary(ies) shall attend every Board meeting and record the proceedings/ deliberations in the statutory record, i.e., minutes of meeting. The draft minutes of meeting shall be circulated in a timely manner and approved at the next Board meeting.
7. The Board may invite external parties such as auditors (both internal and/or external auditors), solicitors or consultants as and when the need arises. Such invited parties may attend part or all of the Board meetings at the discretion of the Board.

Effectiveness Evaluation of the Board and Board Committees

1. The Board shall perform a self-evaluation annually to determine its effectiveness and such evaluation process shall cover the review of the performance of each individual Board member including assessment of the independence of its ID.
2. Every year, the Nomination Committee will evaluate each individual Director's contributions to the effectiveness of the Board and the relevant Board committees. In assessing the suitability of candidates, considerations will be given to the competencies, commitment, contribution and performance. The Nomination Committee is required to report annually to the Board an assessment of the Board's and its committees' performance and this will be discussed with the full Board.

Directors' Training and Continuing Education Programme

1. The Directors are encouraged to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors. Individual directors are responsible for determining their continuous training needs to keep abreast of changes in both the regulatory and business environments as well as new developments in the industry within which the Group operates.
2. The Directors are required to undergo the mandatory accreditation program as per the Listing Requirements. In addition, the Board shall ensure there is continuing education, i.e., training programs, for each Director, which may be determined by the Nomination Committee. The Board shall disclose in the Annual Report the trainings attended by the Directors.

Remuneration of Directors

1. The Board, through the Remuneration Committee, establishes formal and transparent remuneration policies and procedures to attract and retain Directors. The Board recognises that levels of remuneration must be sufficient to attract, retain and motivate the Directors of the quality and calibre required to manage the business of the Company and to align the interests of the Directors with those of the shareholders.
2. For Executive Directors, the remuneration packages link rewards to corporate and individual performance whilst for the Non-Executive Directors, the level of remuneration is linked to their experience and level of responsibilities undertaken.
3. The Remuneration Committee will make recommendations to the Board after reviewing the remuneration package for each Director. Details of the Directors' remuneration in aggregate for each financial year-end will be disclosed in the Company's Annual Report as per the Listing Requirements.
4. No Director shall be involved in the discussion or decision pertaining to his/her own remuneration.

Declaration of Interest/ Conflict of Interest

1. In accordance with the Companies Act 2016, Directors are required to declare external business interests which may directly or indirectly be in conflict of interest with the Group and the declaration shall be subject to Board deliberations.
2. In accordance with the Listing Requirements, Directors are required to declare any COI situation that arose, persists or may arise together with the measures taken to resolve, eliminate or mitigate such conflicts with the Group and the declaration shall be subject to Board deliberations and disclosure.
3. Directors are required to take reasonable steps to avoid or resolve actual or potential conflict of interest situations with the Group. In the event of occurrence of a conflict of interest or potential conflict of interest, the Director shall abstain from deliberations or voting in respect of those interests.
4. Directors are expected to inform/notify the Company Secretary(ies) on any of his/her proposed appointment to other companies as soon as possible.

Investor Relations and Shareholder Communication

1. The Board shall maintain an effective communication policy that enables both the Board and Management to have effective, transparent and regular communication with shareholders, stakeholders and the general public.
2. The Board shall ensure timely and continuing corporate disclosures in accordance with the Listing Requirements, as well as taking into account the investors' need for timely release of information such as financial performance results and statement of financial position, material acquisitions and disposals, significant corporate proposals and other significant corporate events.
3. The Board shall maintain the following communication channels with its shareholders which include but are not limited to:
 - Annual General Meeting (“**AGM**”);
 - Meeting of members to be held as and when required;
 - Annual report; and
 - Group's website.
4. The Board must ensure that the AGMs and meetings of members are conducted efficiently and serve as a mode in shareholders communications, including the supply of comprehensive timely information to shareholders and the encouragement for their active participation, i.e. questions and answers session in the AGMs and meetings of members.
5. Notice for an AGM should be given to the shareholders at least 28 days prior to the meeting.
6. The Board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) supports meaningful engagement between the Board, senior Management and shareholders.

This includes having in place the required infrastructure and tools to support a smooth broadcast of the general meeting and interactive participation by shareholders, including to consider leverage on technology to facilitate electronic voting and remote shareholder participation. This provides the opportunity for shareholders to have real-time interaction with the board and senior management including responses to any questions or remarks posted.

7. The minutes of general meeting shall be circulated to shareholders no later than thirty (30) business days after the completion of the general meeting.

Code of Conduct and Conflicts of Interest

1. The Board should ensure that they conduct their affairs with a high degree of integrity, taking note of applicable laws, codes and regulations.
2. A member of the Board must observe high standards of business, professional and ethical conduct, and refrain themselves from offering, giving or receiving any gifts and any other form of benefits (in kind, cash, advantages and/or favour and etc) from persons or entities who deal with the Company where the gift would reasonably be expected to influence the performance of the Director's duties in any aspect.
3. Director shall declare to the Board any personal interest, whether direct or indirect, he/she may have in matters brought before the Board. This declaration shall be recorded in the minutes and the interested Director shall not participate in the deliberation or voting on the resolutions to be adopted in this respect.
4. Any decisions to enter into transactions, under which the interested Director would have conflicts of interest that are material, shall be formally and unanimously approved by the full Board. Interested Director must inform the entire Board of the potential conflicts of interest in his/her activities with, and commitments to other organisations as they arise and abstain from voting on the matter. This disclosure must include all material facts in the case of a contract or transaction involving the interested Director.

Review and Revision of the Board Charter

This Board Charter will be reviewed periodically or as and when required by the Board.