



UNITED U-LI CORPORATION BERHAD
Registration No. 200001008131 (510737-H)

BOARD CHARTER

Version 2023 approved by the Board on 18 March 2023

1.	<p><u>INTRODUCTION</u></p> <p>The Board of Directors (“the Board”) of United U-Li Corporation Berhad (“ULICORP” or “the Company”) regard Corporate Governance as important to the success of ULICORP’s business and is committed to applying the principles of good governance in all of its business dealings in respect of its shareholders and relevant stakeholders.</p> <ul style="list-style-type: none"> • The Board is the focal point of the Company’s Corporate Governance system. It is ultimately accountable and responsible for the performance and affairs of the Company. • All Board members are expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities. • All Board members are responsible to the Company for achieving a high level of good governance. • This Board Charter shall constitute and form an integral part of each Director’s duties and responsibilities. 	<p><u>Section 211 Co Act</u></p>																					
2.	<p><u>OBJECTIVES</u></p> <p>This Board Charter serves as a source reference and primary induction literature, providing insights to existing and prospective board members to assist the Board in the performance of their fiduciary duties as directors of ULICORP. It will also assist the Board in the assessment of its own performance and of its individual Directors.</p>	<p><u>Practice 1.1 & 2.1, MCCG</u></p>																					
3.	<p><u>DEFINITIONS</u></p> <p>In this Board Charter, unless the context otherwise requires, the following abbreviations shall have the meanings set forth opposite such expressions:-</p> <table border="1" data-bbox="289 1318 1222 1759"> <tr> <td>Bursa Securities</td> <td>:</td> <td>Bursa Malaysia Securities Berhad</td> </tr> <tr> <td>CC</td> <td>:</td> <td>Company’s Constitution</td> </tr> <tr> <td>CMSA</td> <td>:</td> <td>Capital Markets and Services Act, 2007</td> </tr> <tr> <td>Co Act</td> <td>:</td> <td>Companies Act, 2016</td> </tr> <tr> <td>ULICORP or the Company</td> <td>:</td> <td>United U-Li Corporation Berhad</td> </tr> <tr> <td>MCCG</td> <td>:</td> <td>Malaysian Code on Corporate Governance</td> </tr> <tr> <td>MMLR</td> <td>:</td> <td>Main Market Listing Requirements</td> </tr> </table> <p>Words importing the masculine gender only, include the feminine gender.</p>	Bursa Securities	:	Bursa Malaysia Securities Berhad	CC	:	Company’s Constitution	CMSA	:	Capital Markets and Services Act, 2007	Co Act	:	Companies Act, 2016	ULICORP or the Company	:	United U-Li Corporation Berhad	MCCG	:	Malaysian Code on Corporate Governance	MMLR	:	Main Market Listing Requirements	
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4.	<p><u>COMPOSITION</u></p> <p>4.1 Size and Mix of Skill</p> <p>4.1.1 The Board shall comprises at least two (2) but not more than fifteen (15) Directors.</p> <p>4.1.2 Unless otherwise determined by the Company in general meeting and subject to the MMLR, at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, shall be Independent Directors. If the number of Directors is not three (3) or multiple of three (3), then the number nearest one-third (1/3) shall be used. In the event of any vacancy in the board of directors, the vacancy must be filled within 3 months.</p> <p>4.1.3 The composition and size of the Board shall be well-balanced with an effective mix of Executive Directors and Independent Non-Executive Directors, which is in line with MCCG and with the right mix of skills and experience. This balance enables the Board to provide clear and effective leadership to the Group and facilitate the Board in making of informed and critical decisions on many aspects of the Group's strategies and performances. The Board structure also ensures that no individual or group of individuals dominates the Board's decision-making process.</p> <p>4.1.4 The Executive Directors who have good knowledge of the business are responsible for implementing corporate strategies and policies as well as being charged with the management of the day-to-day operations of the business. The Independent Non-Executive Directors play a pivotal role in corporate accountability.</p> <p>4.2 Independent</p> <p>4.2.1 An Independent Director shall, upon his appointment, give to the Company a letter of confirmation that he is an Independent Director as defined under Paragraph 1.01 of the MMLR of Bursa Securities.</p> <p>4.2.2 The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years since appointment as Independent Director. The Independent Director may continue to serve on the Board beyond 9 years provided the Independent Director is re-designated as Non-Independent Director.</p> <p>4.2.3 An Independent Director means a Director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of ULICORP. Without limiting the generality of the foregoing, an independent director is one who:</p> <p style="margin-left: 20px;">a. is not an Executive Director of ULICORP or any related corporation of ULICORP (each corporation is referred to as "said Corporation");</p>	
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Clause 153 CC

Paragraph 15.02 MMLR

Practice 5.5 MCCG

Paragraph 1.01 MMLR

Practice 5.3 of MCCG

	<ul style="list-style-type: none"> b. has not been within the last three (3) years and is not an officer (except as an Independent Director) of the said Corporation. For this purpose, “officer” has the meaning given in section 2 of the Co Act; c. is not a major shareholder the said Corporation: d. is not a family member of any executive director, officer or major shareholder of the said Corporation; e. is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation; f. has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Securities 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 said Corporation under such circumstances as prescribed by Bursa Securities; or g. has not engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities or is not presently a partner, Director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities. 	
<p>5</p>	<p>APPOINTMENT, RETIREMENT, RE-ELECTION AND RE-APPOINTMENT OF DIRECTORS</p> <p>5.1 Appointments</p> <p>5.1.1 In identifying candidates for appointment of Directors, the Board may utilise independent sources in addition to considering recommendations from existing Board members, Management or major shareholders.</p> <p>5.1.2 The appointment of a new Director is a matter for consideration and decision by the full Board, upon the recommendation from the Nomination and Remuneration Committee (“NRC”). In making these recommendations, the NRC will consider the required mix of skills, experience and diversity, including gender, assessment of fitness and propriety as per the Directors’ Fit and Proper Policy, where appropriate, which the Director brings to the Board.</p> <p>5.1.3 New Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board performance of its duties and to give sufficient time and attention to the affairs of the Company.</p>	<p>Practice 5.6 MCCG</p> <p>Paragraph 2.20A MMLR</p> <p>Practice 5.1 MCCG</p> <p>Practice 5.5 MCCG</p>

	<p>5.2 Retirement, Re-election and Re-appointment of Directors</p> <p>5.2.1 An election of Directors shall take place each year. At the annual general meeting of the Company where one-third (1/3) 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 (1/3) shall retire from office and be eligible for re-election. 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.</p> <p>5.2.2 A newly appointed Directors shall hold office until the AGM following their appointment and shall then be eligible for re-election by shareholders. The proposed appointment of new Board members, resignation of existing members, as well as the proposed re-election of the Directors are approved by the Board upon the recommendation of the Nomination Committee.</p> <p>5.3 Disqualification or Vacation of Office</p> <p>5.3.1 A director automatically ceases to be a director if:</p> <ol style="list-style-type: none"> a. the director ceases to be a director under CA or is removed from office under the Constitution; b. the director is prohibited from being a director under CA; c. the director becomes bankrupt; d. the director makes (as far as such provisions exist in the Insolvency Laws) an arrangement or composition with the director's creditors or applies for an interim order under the Insolvency Laws in connection with a voluntary arrangement under the Insolvency Laws; e. the director becomes unable to manage their affairs and a court which claims jurisdiction to protect people who are unable to manage their affairs has made an order detaining the director or appointing a person to manage the director's property or affairs or becomes of unsound mind f. except where the director's contract prevents the director resigning, the director <ol style="list-style-type: none"> i. delivers to the Company a written notice of resignation signed by or on behalf of the director; or ii. offers to resign and the Board pass a resolution accepting the offer; iii. the director has missed Board meetings for a continuous period of 6 months, without permission from the Board and the Board pass a resolution removing the director from office; or 	<p><u>Clause 165 CC</u></p> <p><u>Practice 5.1 MCCG</u></p> <p><u>Section 202(3)(a) Co Act</u></p> <p><u>Clause 156 CC</u></p> <p><u>Clause 173 CC</u></p>
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	g. the director's contract expires or is terminated for any reason and is not renewed or replaced within 14 days.	
6	<p>ROLES AND RESPONSIBILITIES OF THE DIRECTORS</p> <p>6.1 Roles and Responsibilities of the Directors</p> <p>6.1.1 A Director shall at all times exercise his powers for a proper purpose and in good faith in the best interest of the Company and shall act honestly and use reasonable care, skill and diligence in the discharge of the duties of his office and shall not make use of any information acquired by virtue of his position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company.</p> <p>6.1.2 A Director shall at all times avoid conflicts of interest, and shall as soon as practicable after the relevant facts have come to his knowledge, declare the nature of his interest at a meeting of the directors of the Company. Every Director shall give notice to the Company of such events and matters relating to him/her as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Co Act.</p> <p>6.1.3 In line with the Guidance 1.1 of the MCCG, the Board has the following key responsibilities:-</p> <ol style="list-style-type: none"> a. Promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behavior; b. Review, challenge and decide on Management's proposal on matters which includes overall corporate strategy, business plan, budget and regulatory plan, and monitor the implementation by Management; c. Review and approve strategic initiatives including corporate business restructuring or streamlining and strategic alliances, to ensure that they support long-term value creation and take into account economic, environment and social considerations underpinning sustainability; d. Oversee the conduct of the Group's businesses to evaluate and assess management performance whether the businesses are being properly managed; e. Assess and identify the principal risks of the Group's businesses in recognition that business decisions involve the taking of appropriate risks; f. Set the risk appetite within which the Board expects Management to operate, and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks; g. Approve the nomination, selection, succession policies, and remuneration packages for the Board members, Board 	<p><u>Section 213 Co Act</u></p> <p><u>Section 218 Co Act</u></p> <p><u>Section 221 Co Act</u></p> <p><u>Guidance 1.1 MCCG</u></p>

	<p>Committee members, Nominee Directors on the functional Boards of the subsidiaries and GMD/CEO, and the annual manpower budget for the Group, including managing succession planning, appointing, training, fixing the compensation of, and where appropriate replacing senior management or key management personnel;</p> <p>h. Approve the appointment, resignation or removal of Company Secretaries of ULICORP;</p> <p>i. Review the adequacy and integrity of the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines (including the securities laws, Co Act and MMLR);</p> <p>j. Review and approve the Financial Statements encompassing annual audited accounts and quarterly reports, dividend policy, credit facilities from financial institutions and guarantees;</p> <p>k. Review and approve the Audit Committee Report, Risk Management and Internal Control Statement for the Annual Report;</p> <p>l. Prepare a Corporate Governance (CG) Overview Statement and CG Report on compliance with the MCCG for the Annual Report;</p> <p>m. Review and approve investment policies and guidelines for the Company’s surplus funds, asset allocation policy and policy on exposure limits on investment with banking institutions;</p> <p>n. Review and approve the capital expenditure, purchase of fixed assets, operating expenditure, variation order and any other matters;</p> <p>o. Approve the appointment of external auditors and their related audit fees.</p> <p>6.1.4 The Directors have individual and independent access to the advice and dedicated support services of the Company Secretary in ensuring the effective functioning of the Board. The Directors may seek advice from the management on issues under their respective purview. The Directors may also interact directly with, or request further explanation, information or updates, on any aspect of the Company’s operations or business concerns from the management.</p> <p>6.2 Roles of Non-Executive Directors (“NED”)</p> <p>6.2.1 Directors must give effect to the spirit, intention and purpose of the said definition of “independence” in Paragraph 4.2.1 above.</p>	<p><u>Clause 228 CC</u></p> <p><u>Paragraph 15.21 MMLR</u></p> <p><u>Practice 1.5 MCCG</u></p>
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7	<p>SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR</p> <p>7.1 The Board approves the appointment of a Senior Independent Non-Executive Director (“SID”) to act as an additional safeguard and to serve as a fallback point of contact for investors and shareholders when the normal channel of communication is considered to be inappropriate or inadequate.</p> <p>7.2 The SID shall be nominated from amongst the Independent NEDs, but excludes the Audit and Risk Management Committee Chairman, who is also an Independent Director of the Company.</p> <p>7.3 The NRC shall make its recommendation to the Board for approval of the proposed appointment of the SID for a term of two (2) years or such other term as may be determined by the Board.</p> <p>7.4 The SID shall have specific responsibilities which include, to:-</p> <ol style="list-style-type: none"> a. Serve as a designated contact for consultation and direct communication with shareholders on areas that cannot be resolved through normal channels of contact with the Chairman or CEO; b. Serve as the principal conduit between the Independent Directors and the Chairman on sensitive issues; c. Lead the succession planning and appointment of the Board members, including the future Chairman and CEO; d. Lead the annual review of board effectiveness, ensuring that the performance of each individual director is independently assessed; e. Receive report(s) made by employees, shareholders or external parties/other stakeholders for the purpose of whistleblowing in the form as prescribed under the Whistleblower Policy and Procedures of Bursa Group, and thereafter submit the same to the Audit Committee Chairman with an opinion as to whether the report is frivolous or vexatious based on alleged facts; f. Ensure all Independent Directors can have the opportunity to provide input on the agenda, and advise the Chairman on the quality, quantity and timeliness of the information submitted by Management that is necessary or appropriate for the Independent Directors to perform their duties effectively; g. Consult with the Chairman regarding Board meeting schedules to ensure Independent Directors can perform their duties responsibly and with sufficient time for discussion of all agenda items. 	<p><u>Guidance 2.1 MCCG</u></p> <p><u>Practice 1.4 MCCG</u></p>
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<p>8</p>	<p>SEPARATION OF FUNCTIONS BETWEEN THE CHAIRMAN AND GROUP MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER (GMD/CEO)</p> <p>8.1 The roles of the Chairman and GMD/CEO of ULICORP are distinct. The distinct and separate roles of the Chairman and GMD/CEO, with a clear division of responsibilities, ensures a balance of power and authority, such that no one individual has unfettered powers of decision-making.</p> <p>8.2 GMD/CEO is the highest ranking officer across the Group. He is responsible for the day-to-day business of the Group, within the authorities as delegated by the Board. The primary job tasks for the GMD/CEO are as follows:</p> <ul style="list-style-type: none"> a. Strategy development, monitoring and tracking; b. Business development; c. Regulation; d. Performance management; e. Human resources management; f. Risk management; and g. Stakeholder management. 	<p><u>Practice 1.3 MCCG</u></p>
<p>9</p>	<p>CHAIRMAN OF THE BOARD</p> <p>9.1 The Chairman leads the Board with a keen focus on governance and compliance. His roles/responsibilities include, inter alia:</p> <ul style="list-style-type: none"> a. providing leadership to the Board, and oversee the Board in the effective discharge of its fiduciary duties; b. leading the Board in the adoption and implementation of good corporate governance practices in the Company; c. setting the Board agenda and ensuring the Board members receive complete and accurate information in a timely manner; d. leading discussions at meetings and ensure efficient and effective conduct of the Board meetings; e. encouraging active participation and allowing dissenting views to be freely expressed; f. promoting constructive and respectful relations between Board members and manage the interface between the Board and Management; 	<p><u>Guidance 1.2 MCCG</u></p>

	<p>g. facilitating effective communication between the Board and the stakeholders and that their views are communicated to the Board as a whole; and</p> <p>h. committing his time and efforts as may be necessary to discharge effectively his role as Chairman.</p> <p>9.2 The Chairman of the board should not be a member of the following committees of the Company:-</p> <p>a. Audit and Risk Management Committee (“ARMC”); and</p> <p>b. Nomination and Remuneration Committee (“NRC”).</p>	<p><u>Practice 1.4 MCCG</u></p>
10.	<p>COMPANY SECRETARY</p> <p>10.1 The Board appoints the Company Secretary, who plays an important advisory role in fulfilling the functions for which he/she has been appointed.</p> <p>10.2 The Company Secretary is accountable to the Board through the Chairman of the Board and Committees on all governance and compliance matters.</p> <p>10.3 The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.</p> <p>10.4 The Company Secretary should advise Directors of their obligations to adhere to matters relating to:</p> <p>a. Disclosure of interest in securities;</p> <p>b. Disclosure of any conflict of interest in a transaction involving the Company;</p> <p>c. Prohibition on dealing in securities; and</p> <p>d. Restrictions on disclosure of price-sensitive information.</p> <p>10.5 The Company Secretary must keep abreast of, and inform, the Board of current governance best practices, changes in Listing Requirements and the relevant regulations.</p> <p>10.6 The Board members have unlimited access to the professional advice and services of the Company Secretary.</p>	<p><u>Section 235 & 236 (1) Co Act</u> <u>Practice 1.5 MCCG</u> <u>Clause 228 CC</u></p>
11.	<p>BOARD COMMITTEES</p> <p>11.1 The Board may from time to time establish Committees as is considered appropriate to assist in carrying out its duties and responsibilities. The Board delegates certain functions to the</p>	<p><u>Clause 192 CC</u></p>

	<p>following Committees to assist in the execution of its responsibilities:-</p> <ul style="list-style-type: none"> a. Audit and Risk Management Committee (“ARMC”) b. Nomination and Remuneration Committee (“NRC”) <p>11.2 Each Committee has a formal Terms of Reference and has its own functions and delegated roles, duties and responsibilities.</p> <p>11.3 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.</p>	<p><u>Paragraph 3.05 MMLR</u> <u>Practice 9.0 MCCG</u></p> <p><u>Paragraph 15.08A MMLR</u> <u>Practice 7.2 MCCG</u></p> <p><u>Paragraph 15.08A(2) & 15.11, MMLR</u></p>
<p>12.</p>	<p>MEETINGS</p> <p>12.1 The Board shall convene at least four (4) meetings in each financial year and at any such times as it deems necessary to fulfil its responsibilities. The Board’s annual meeting calendar is prepared and circulated to Directors before the beginning of each year. It provides the scheduled dates for meetings of the Board and Board Committees, annual general meeting, as well as the closed period for dealings in securities by Directors based on the targeted date of announcement of quarterly results of the Group.</p> <p>12.2 The quorum for Board meetings shall be at least two (2) Directors. Each member of the Board is entitled to one (1) vote in deciding the matters deliberated in the meeting. The decision that gained the majority votes of the Board shall be the decision of the Board. In the event of an equality of votes, Clause 190 of the CC applies.</p> <p>12.3 Each Director shall attend at least 50% of the total Board meetings held during the year. The Directors may participate in a meeting by means of a conference telephone or similar electronic telecommunication device. For this purpose, the Director shall ensure that:-</p> <ul style="list-style-type: none"> a. The Company Secretary (or personnel of Corporate Governance & Secretarial Division) is informed of the Director’s requirements at least three (3) working days before the meeting date; b. The Director shall participate in the meeting from a confined room or space, with no access by or without the presence of any third party; c. The Director shall ensure all deliberations or information being communicated during the telephone/video conferencing are treated with confidence, and he/she shall prevent any leakage of information/materials to any third party; and 	<p><u>Clause 182 CC</u></p> <p><u>Clause 188 CC</u></p> <p><u>Clause 190 CC</u></p> <p><u>Paragraph 15.05(3)(c) MMLR</u></p> <p><u>Clause 191 CC</u></p>

	<p>d. The Director shall at all times take all necessary precautions to strictly maintain confidentiality of information.</p> <p>12.4 The Board should have access to all information pertaining to the Company in a timely manner for the discharge of its duties effectively. The agenda and papers for meetings should be furnished to the Directors at least five (5) clear days prior to the meetings, to enable them to prepare for these meetings. At Board meetings, the Management presents the papers and consultants may be invited to provide further insight.</p> <p>12.5 The Board members are invited to provide their feedback, either verbally or in written form on the adequacy of contents and quality of information presented by the Management in these Board papers, as well as presentation skills.</p> <p>12.6 The Chairman encourages constructive, healthy debate, and Directors are given the chance to freely express their views or share information with their peers in the course of deliberation as a participative Board.</p> <p>12.7 Any Director who has a direct or deemed interest in the subject matter to be deliberated abstains from deliberation and voting on the same during the meeting.</p> <p>12.8 The minutes prepared by the Company Secretary memorialise the proceedings of all meetings, including the tabling of pertinent issues, the substance of inquiry and response, members' suggestions and the decisions made, including whether any director abstained from voting or deliberating on a particular matter, as well as the rationale behind those decisions.</p>	<p><u>Guidance 1.6 MCCG</u></p> <p><u>Clause 184 CC</u></p> <p><u>Clause 197 CC</u></p> <p><u>Practice 1.6 MCCG</u></p>
<p>13</p>	<p>BOARD EFFECTIVENESS EVALUATION (“BEE”)</p> <p>13.1 The Board shall entrust the NRC with the responsibility for carrying out the annual BEE.</p> <p>13.2 The Board’s effectiveness is assessed in the areas of composition, administration, accountability and responsibility, conduct, and the performance of the Chairman and GMD/CEO. The Board, through the Governance and Regulatory Committees effectiveness assessment, examines the respective Governance and Regulatory Committees, including their respective Chairmen, to ascertain whether their functions and duties are effectively discharged in accordance with their respective Terms of Reference.</p> <p>13.3 The Board and Board Committee Evaluation Form is intended to evaluate the mix of skills, experience and other relevant qualities the Directors bring to the Board, and takes into account the individual director’s ability to exercise independent judgement at all times and to contribute to the effective functioning of the Board. The Individual Performance Evaluation Assessment examines the ability of each Board or Committee member to give material input at meetings and to</p>	<p><u>Practice 6.1 MCCG</u></p>

	<p>demonstrate a high level of professionalism and integrity in the decision-making process.</p> <p>13.4 The assessment results from the BEE form the basis of the NRC's recommendation to the Board for the re-election and/or re-appointment of Directors and Board Committee members as well as for further development of the Board and Board Committees.</p>	<p><u>Practice 5.1 MCGG</u></p>
14.	DIRECTOR'S TRAINING	
	<p>14.1 All Directors are to attend the Mandatory Accreditation programme ("MAP") and from time-to-time Continuing Education Programme ("CEP") prescribed by the Bursa Securities. The Directors will continue to attend other relevant training programmes to keep abreast with developments on a continuous basis in compliance with the Listing Requirements of Bursa Securities.</p>	<p><u>Paragraph 15.08</u> <u>MMLR</u></p>
15.	FINANCIAL REPORTING	
	<p>15.1 The Board aims to provide and present a clear, balanced and meaningful assessment of the Group's financial position and prospects by ensuring quality financial reporting through the annual financial statements and quarterly financial results to its stakeholders, in particular, shareholders, investors and the regulatory authorities.</p> <p>15.2 The Audit and Risk Management Committee assists the Board in scrutinising information for disclosure to ensure the quality of financial reporting and adequacy of such information, prior to submission to the Board for its approval. As required by the Co Act, the Directors are responsible for the preparation of annual financial statements in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company at the end of each financial year and of the results and cash flows of the Group and of the Company for the financial year. The accounting policies and methods once adopted, are consistently applied and supported by reasonable judgements and estimates.</p> <p>15.3 The Directors have responsibility for ensuring that Group keeps proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Group and to enable them to ensure that the financial statements comply with the Co Act and applicable approved accounting standards in Malaysia.</p> <p>15.4 In addition, the Directors are also responsible for taking reasonable steps to safeguard the assets for the Group and to prevent and detect fraud as well as other irregularities.</p>	<p><u>Section 245 & 248</u> <u>Co Act</u> <u>Clause 242 CC</u></p>

<p>16.</p>	<p>EXTERNAL AUDITORS</p> <p>16.1 The Board maintains a transparent and professional relationship with the external auditors. The Audit and Risk Management Committee (“ARMC”) meets with the external auditors at least once a year to discuss their audit plan, audit findings and the financial statements. The ARMC also meets the external auditors without the presence of the executive Directors and the management at least once a year. From time to time, the external auditors highlight to the ARMC and the Board on matters that require the Board’s attention.</p> <p>16.2 The role of the ARMC in relation to both the internal and external auditors is described in the Terms of Reference of the ARMC.</p>	
<p>17.</p>	<p>REMUNERATION</p> <p>17.1 The fees of the NEDs and any benefits payable to the Directors including any compensation for loss of employment of a Director shall from time to time be determined by an Ordinary Resolution of the Company in general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree.</p> <p>17.2 The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of Directors of the Company.</p> <p>17.3 The Board has established a formal and transparent process for approving the remuneration of the NEDs and the Executive Director/GMD/CEO, whereby the NRC is responsible for reviewing the remuneration policy and making recommendations on the same to the Board for approval. In its review, the NRC considers various factors including the NEDs’ fiduciary duties, time commitments expected of them and the Company’s performance.</p> <p>17.4 The review of the Directors’ remuneration will be carried out by the NRC on an annual basis for the approval of the Board prior to recommending the same for shareholders’ approval at the annual general meeting of ULICORP.</p>	<p><u>Section 230 Co Act</u></p> <p><u>Clause 175 CC</u></p> <p><u>Clause 176 CC</u></p>
<p>18.</p>	<p>REMUNERATION POLICIES</p> <p>18.1 The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than necessary to achieve this goal.</p> <p>18.2 The level of remuneration for the GMD/CEO and Executive Directors is determined by the NRC after giving due consideration to the compensation levels for comparable positions among other similar Malaysia public listed Companies.</p>	

	<p>18.3 No Director other than the GMD/CEO and Executive Directors shall have a service contract with the Company.</p> <p>18.4 There is adequate disclosure in the Annual Report with a note on the remuneration of Directors.</p>	
19.	<p>DEALING IN SECURITIES</p> <p>19.1 “Dealings” includes any one or more of the following actions, whether undertaken as principal or as agent:</p> <ul style="list-style-type: none"> a. acquiring or disposing of securities or any interest in securities; b. subscribing for or underwriting securities; c. making or offering to make with any person, or inducing or attempting to induce any person to enter into or to offer to enter into - <ul style="list-style-type: none"> i. any agreement for or with a view to acquiring or disposing of securities or any interest in securities; ii. any agreement for or with a view to subscribing for or underwriting securities; or iii. any agreement the purpose or avowed purpose of which is to secure a profit to any of the parties from the yield of securities or by reference to fluctuations in the values of securities; and d. granting, accepting, acquiring, disposing of, exercising or discharging an option (whether for the call or put or both) or any other right or obligation, present or future, conditional or unconditional, to acquire or dispose of securities or any interest in securities. <p>19.2 A Director must not deal in the securities of ULICORP as long as he is in possession of price-sensitive information relating to such listed securities. “Price-sensitive information” means information that “on becoming generally available would or would tend to have a material effect on the price or value of securities” as referred to in Section 185 of the CMSA.</p>	<p><u>Paragraph 14.02(c) MMLR</u></p> <p><u>Paragraph 14.04 MMLR</u></p>
20.	<p>CONFLICT OF INTEREST AND TRANSACTION INVOLVING DIRECTORS</p> <p>20.1 Conflict arising from the interest (direct or indirect) of a director, member or major shareholder or person connected with such director, member or major shareholder in a transaction proposed to be entered into or action/decision to be taken by ULICORP or its subsidiaries.</p>	<p><u>Clause 203 & 206 CC</u></p>

	<p>20.2 Where a Director has an interest (direct or indirect) in a transaction proposed to be entered into or action/decision to be taken by ULICORP or its subsidiaries, he/she may be biased in making the commercial or regulatory decision which could be to the detriment of ULICORP or its subsidiaries.</p> <p>20.3 Directors can be regarded as having a conflict of interest where the company, he or she is associated with derives an advantage from being a Director. Therefore, a director is required at all times to declare such conflict and if so, required by the Board, to withdraw from any voting or deliberation of a matter in which the Director or member may have an interest.</p> <p>20.4 The Co Act provides that a Director who is in any way, whether directly or indirectly, interested in a contract entered into or proposed to be entered into by the Company shall be counted only to make the quorum at the board meeting but shall not participate in any discussion while the contract or proposed contract is being considered at the board meeting and shall not vote on the contract or proposed contract.</p> <p>20.5 Where a contract or proposed contract is entered into in contravention of Section 221 of the Co Act, the contract or proposed contract shall be voidable at the instance of the Company except if it is in favour of any person dealing with the Company for a valuable consideration and without any actual notice of the contravention. A director who knowingly contravenes Section 221 of the Co Act shall be guilty of an offence against the Co Act.</p> <p>20.6 The MMLR further provides that a Director with any interest, direct or indirect, must abstain from board deliberation and voting on the relevant resolution in respect of the related party transaction.</p>	<p><u>Section 221 Co Act</u></p> <p><u>Section 221(12) Co Act</u></p> <p><u>Paragraph 10.08(6) MMLR</u></p>
<p>21.</p>	<p>INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION</p> <p>21.1 The Board acknowledges the importance of maintaining transparency and accountability to all its stakeholders, particularly its shareholders and investors as it ensures that market credibility and investor's confidence are maintained. Through extensive disclosure of appropriate and relevant information, using various channels of communication on a timely basis, the Group aims to effectively provide shareholders and investors with information to fulfil transparency and accountability objectives.</p> <p>21.2 At this juncture, the channel of communication to shareholders, stakeholders and general public for the overall performance and operations of the Group's business activities are press releases, public announcements on quarterly basis, annual report and disclosures to the Bursa Securities.</p> <p>21.3 Meeting with institutional investors, fund managers and analysts from time to time provide an additional avenue for the Board and management to convey information about Group's performance, strategy and other matters affecting shareholders' interests.</p>	<p><u>Practice 12.1 MCCG</u></p>

	<p>21.4 At the Annual General Meeting (“AGM”) presents the principal forum for dialogue and interaction with shareholders. The notice of meeting and the annual report are sent out to shareholders at least twenty one (21) clear days before the date of the meeting in accordance with the Company’s Constitution. A presentation is given by the Chairman/CEO/GMD to explain the Group’s strategy, performance and major development to shareholders during the AGM. Shareholders are accorded both the opportunity and time to raise questions or offer constructive criticism pertaining to the operations and financial matter of the Group; whilst the Board and Senior Management will provide the answers and appropriate clarifications to issues raised. The external auditors will also be present to provide their professional and independent clarification on issues and concerns raised by the shareholders, if necessary.</p> <p>21.5 Besides the key channels of communications through the annual report, general meetings and announcements to Bursa Securities as well as analyst and media briefings, there is also continuous effort to enhance the Group’s website at www.uli.com.my as a channel of communication and information dissemination. Continuous improvement and development of the website will be undertaken by the Group to ensure easy and convenient access.</p>	<p><u>Clause 93 CC</u></p>
<p>22.</p>	<p>INTERNAL CONTROL</p> <p>22.1 The Board acknowledges its overall responsibility for maintaining a sound system of internal controls that provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines. The effectiveness of the system of internal controls of the Group is reviewed periodically by the ARMC.</p>	<p><u>Practice 10.1 MCCG</u></p>
<p>23.</p>	<p>CORPORATE SOCIAL RESPONSIBILITIES</p> <p>23.1 The Board is committed in performing its corporate social responsibilities with various charitable activities carried out by the Group.</p>	
<p>24.</p>	<p>CODE OF ETHICS AND CONDUCT</p> <p>24.1 The ULICORP Code of Ethics and Conduct (“the Code”) is to be observed by all Directors and employees of the Group, and the core areas of conducts under the Code include the followings:-</p> <ul style="list-style-type: none"> a. conflict of interest; b. confidential information; c. inside information and securities trading; 	<p><u>Practice 3.1 MCCG</u></p>

	<ul style="list-style-type: none"> d. protection of assets; e. business records and control; f. compliance to the law; g. gifts and contributions; h. health and safety; i. harassment; j. abuse of power; k. fair and courteous behavior; l. violation of code and misconducts; and j. money laundering <p>The Board will review the Code periodically to ensure that it continues to remain relevant and appropriate. The Code is made available for reference in the Company's website at www.uli.com.my.</p>	
25.	<p>WHISTLEBLOWING POLICY</p> <p>25.1 "Whistleblowing" is defined as "the deliberate, voluntary disclosure or reporting of individual or organisational malpractice by a person who has or had privileged access to data, events or information about an actual, suspected or anticipated improper conduct within the organisation or by an organisation that is within its ability to control".</p> <p>25.2 ULICORP has in place a "Whistleblowing Policy" which have been uploaded in the Company's website at www.uli.com.my. All reports can be submitted confidentially to hq@uli.com.my and will be forwarded to Independent Director who will report directly to ULICORP's ARMC.</p>	<u>Practice 3.2 MCCG</u>
26.	<p>REVIEW OF THE BOARD CHARTER</p> <p>26.1 The Board Charter will be periodically reviewed and updated in accordance with the need of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.</p> <p>26.2 The Board Charter is made available for reference in the Company's website at www.uli.com.my.</p>	<u>Practice 2.1 MCCG</u>