



Building Lifestyles, Building Trust

BOARD CHARTER

Contents	Page
Board Charter	
15	
1. Preamble	1
2. Interpretation	1
3. Role of the Board	2
4. Board Structure	2
5. Board Processes	6
6. Directors' Remuneration	9
7. Board and Member Assessment	10
8. Representation of the Company	10
9. The Company's Constitution and Management's Limits	10
10. Directors' Code of Ethics	10
Appendices	
I. Formal schedule of matters reserved for the Board's decision	12
II. Discretionary Authority Limits	156
III. Board Diversity Policy	16
IV. Directors' Independence Policy	17
V. Terms of reference for Audit Committee	19
VI. Terms of reference for Nominating Committee	23
VII. Directors' Remuneration Policy	26
VIII. Corporate Disclosure Policy	28

Board Charter

1. Preamble

The enhancement of corporate governance standards is vital towards achieving the objectives of transparency, accountability and effective performance for EUPE Corporation Berhad (“EUPE” or the “Company”) and its subsidiaries (the “Group”). It is with the aim of enshrining concepts of good governance as promulgated in the Malaysian Code on Corporate Governance 2012 (the “Code”) that this Board Charter (the “Charter”) is established.

The Charter serves as a reference point for Board activities and should not be construed as a blueprint for Board operations. Just as each organisation has its own corporate culture, the dynamics of each Board are unique shift as the composition of the Board changes. The Directors of the Company should always be open to new opportunities and be ready to confront new challenges brought about by the changes.

This Charter is designed to provide guidance and clarity for Directors and Management with regard to the role of the Board and its committees, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as the Board’s operating practices. This Charter does not overrule or pre-empt the statutory requirements of Directors enshrined in the Companies Act 1965, the Income Tax Act 1967 or other relevant statutes, including the conduct of the Board as stipulated in the Articles of Association of the Company.

2. Interpretation

2.1. In this Charter:

“Board” means the Board of Directors of the Company;

“Business” means the business of the Company and all its subsidiaries and associated companies;

“Chairman” means the Chairman of the Board and is used in a gender-neutral sense;

“Company Secretary” means the Board secretary or the person(s) normally exercising the functions of a Board secretary;

“EDs” means the Executive Directors of the Company;

“Group” means the Company and all its subsidiaries.

“Management” means the management personnel of the Company;

“Shareholders” means the shareholders of the Company.

“Independent Director” is defined in accordance with Paragraph 1.01 of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements

“Listing Requirements” means the Bursa Malaysia Listing Requirements.

3. Role of the Board

- 3.3 The Board is responsible for the monitoring of EUPE's business and affairs on behalf of shareholders with a view to enhance long term shareholder value whilst taking into account the interests of other stakeholders and maintaining high standards of transparency, accountability and integrity.
- 3.2 The principal responsibilities of the Board are:
- to review strategic plans for the Company and its subsidiaries;
 - to oversee the conduct of the Group's businesses and the performance of management;
 - to identify principal business risks faced by the Group and ensure the implementation of appropriate internal controls and mitigation measures;
 - to consider succession planning for Senior Management candidature;
 - to develop and implement a shareholder communications policy;
 - to review the adequacy and the integrity of the Group's internal control systems and management information systems; and
 - to establish a Directors' Code of Ethics and to initiate action should they believe that the Code has been breached.
- 3.4 The Board reserves a formal schedule of matters (**Appendix 1**) for its decision to ensure that the direction and control of the Company are firmly in its hands.
- 3.5 In overseeing the conduct of the Group's businesses, the Board shall ensure that an appropriate financial planning, operating and reporting framework as well as an embedded risk management framework are established. Elements under this combined framework include the operating plan and budget, financial statements, divisional strategic/performance reviews reports and risk management reports.

4. Board Structure

4.1 Board Balance and Mix

- 4.1.1 The Board of EUPE shall be chaired by an independent non-executive director.
- 4.1.2 Where the Chairman of the Board is not an Independent Non-Executive Director, the Board should comprise a majority of Independent Directors to ensure a balance of power and authority on the Board.
- 4.1.3 At least one-third (1/3) of the Board, or two (2) members, whichever is higher, should consist of Independent Non Executive Directors in accordance with the Paragraph 15.02 of the Listing Requirements.
- 4.1.4 The Company's Articles of Association allow a minimum of 2 and a maximum of 11 Directors. The Board shall from time to time examine its size with a view to determine the impact of its number upon its effectiveness.
- 4.1.5 The Board through its Nominating Committee will take into consideration amongst others, the mix of skills, character, experience, independence and integrity, competence and diversity (including gender diversity) when recommending candidature to the Board to effectively discharge their respective roles. The composition of the Board shall be guided by the Board Diversity Policy, set out in **Appendix III**.

- 4.1.6 Directors shall not sit on the boards of more than five (5) listed issuers. Before accepting any new directorship in listed issuers, Directors shall notify the Board, the notification of which shall include an indication of time that will be spent on the new appointment.

4.2 Tenure of Directors

- 4.2.1 Pursuant to Article 82 of the Articles of Association, one-third (1/3) of the Directors, or if the number is not a multiple of three, the number nearest to one-third, shall retire from office at each Annual General Meeting and may offer themselves for re-election.
- 4.2.2 All Directors excluding the Managing Director (“MD”) must retire once at least every three (3) years but shall be eligible for re-election.
- 4.2.3 The election of each Director is voted on separately.
- 4.2.4 Directors over seventy (70) years of age are required to submit themselves for reappointment annually in accordance with Section 129(6) of the Companies Act 1965.
- 4.2.5 The tenure for an independent director (“ID”) to serve on the Board is nine (9) years, consecutively or cumulative. The ID may continue to serve on the Board beyond the 9-year tenure in the capacity of a non-independent director. Where the Board is of the view that the ID can continue as an independent director beyond the 9-year tenure, it must justify and seek shareholders’ approval. The justification may be sought in the form of greater rigor and transparency in the evaluation process which accompanies any recommendation for renewal of a Director’s appointment/ retention at the Annual General Meeting/ Extraordinary General Meeting. Refer to **Appendix IV** for Directors’ Independence Policy.

4.3 Role of the Chairman

- 4.3.1 The Chairman carries out a leadership role in the conduct of the Board and its relations to shareholders and other stakeholders. The Chairman is primarily responsible for:
- representing the Board to shareholders;
 - presiding at Board and shareholder meetings and ensuring the proceedings thereof comply with good conduct and practices. The Chairman may appoint his designate to chair such meetings;
 - functioning as a facilitator at meetings of the Board to ensure that no member, whether executive or non-executive, dominates discussion, that appropriate discussions takes place and that relevant opinions amongst members are forthcoming. The Chairman will ensure that discussions result in logical and understandable outcomes;
 - ensuring that all Directors are enabled and encouraged to participate at Board meetings. This includes ensuring that all relevant issues are on the agenda and that all Directors receive timely and relevant information tailored to their needs and that they are properly briefed on issues arising at Board meetings;
 - ensuring that the Executive Director look beyond his executive functions and accept his full share of responsibilities of governance;
 - guiding and mediating Board actions with respect to organisational priorities and governance concerns;
 - undertaking the primary responsibility for organising information necessary for the Board to deal with items on the agenda and for providing this information to Directors on a timely basis; and
 - performing other responsibilities assigned by the Board from time to time.

4.4 Role of the Managing Director (“MD”)

4.4.1 The MD is primarily responsible for:

- the executive management of the Group’s business covering, inter-alia, the development of a strategic plan, an annual operating plan and budget, performance benchmarks to gauge management’s performance and the analysis of management reports;
- assisting the Chairman in organising information necessary for the Board to deal with the agenda and for providing this information to Directors on a timely basis;
- providing an avenue for whistle blowing; and
- providing assurance to the Board on the adequacy and effectiveness of the risk management and internal control systems, in all material aspects, annually, jointly with the Group Chief Financial Officer (or person primarily responsible for the management of the financial affairs of the company, by whatever name called).

4.5 Role of the Executive Director (“ED”)

4.5.1 An ED shall ensure the effective implementation of the Group’s strategic plan and policies as well as manage the daily conduct of the business to ensure its smooth operations.

4.5.2 An ED is accountable to the MD for the achievement of the Group’s goals and objectives and the observance of Management’s limits.

4.5.3 At each of its scheduled meetings, the Board should expect to receive from or through the ED:

- summary reports on the performance and activities of the Company and its subsidiaries and specific proposals for capital expenditure acquisitions and disposals; and
- such assurances as the Board considers necessary to confirm that that Management’s limits are being observed.

4.5.4 An ED is expected to act within all specific authorities delegated by the Board.

4.5.5 Generally, an ED is responsible to the MD for the following:

- developing long term strategic and short term profit plans, designed to ensure that the Group’s requirements for growth, profitability and return on capital are achieved;
- directing and controlling all aspects of the business operations in a cost effective manner, covering production operation requirements, best technological practice, high levels of productivity and flexibility to cope with planned development and awareness of market place opportunities and threats, deploying resources to exploit and counter them respectively;
- effectively overseeing the human resource of the organisation with respect to key positions in the Group hierarchy and ensures the general well-being of employees, determination of remuneration as well as terms and conditions of employment for senior management in consultation with the Board and issues pertaining to discipline of all employees;

- effectively representing the interest of the Company with major customers, governments and their agencies, and industries at large, to ensure general goodwill towards the Company and cooperation in planned development;
- establishing and reviewing the risk management framework and internal control system across the Group; and
- identifying the risks and ensuring the implementation of appropriate internal controls and mitigation measures.

4.6 Role of Non-Executive Directors (“NEDs”)

4.6.1 The roles of NEDs include, amongst others,:

- risk oversight;
- providing independent and objective views to the development of Company strategy;
- providing an avenue to facilitate whistle blowing.

4.6.2 Non-Executive Directors act as a bridge between Management, shareholders and other stakeholders. They provide the relevant checks and balances, focusing on shareholders’ and other stakeholders’ interests.

4.7 Company Secretary

4.7.1 The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board recognises the fact that the Company Secretary should be suitably qualified and capable of carrying out the duties required of the post.

4.7.2 The key role of the Company Secretary is to provide unhindered advice and services for the Directors as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.

4.7.3 The primary responsibilities of the Company Secretary shall include:

- ensuring that Board procedures and applicable rules are observed;
- maintaining records of the Board and ensure effective management of the organisation’s records;
- preparing comprehensive minutes to document Board proceedings and the deliberation, in terms of the issues discussed, and the conclusions thereof, in discharging its duties and responsibilities;
- timely dissemination of information relevant to Directors’ roles and functions and keeping them updated on new or evolving regulatory requirements; and
- carrying out other functions as deemed appropriate by the Board from time to time.

4.8 Board Committees

4.8.1 The Board reserves the right to establish Committees from time to time in the discharge of its duties and responsibilities. Where a Committee is formed, specific terms of reference of the Committee shall be established to cover matters such as the purpose, composition and functions of the Committee.

4.8.2 A number of standing Committees with written terms of reference has been established namely the following:

a. Audit Committee

The terms of reference of the Audit Committee are attached under **Appendix V**.

b. Nominating Committee

The terms of reference of the Nominating Committee are attached under **Appendix VI**.

4.9 The Board's Relationship with Shareholders and Stakeholders

4.9.1 The Board shall maintain an open communications policy that enables the Board and its Management to communicate effectively with shareholders and members of the general public. Whenever appropriate, the Board or the relevant management personnel will respond to these queries or opinions on an individual level.

4.9.2 The Board shall ensure that the Annual General Meeting ("AGM") of the Company is conducted in an efficient manner and serves as a crucial mechanism in shareholder communications. This includes the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the AGM. The Board will focus its efforts on the following best practices to enhance the value of the AGM:

- ensure that each item of special business included in the notice is accompanied by a full explanation of the effects of the proposed resolution;
- for re-election and re-appointment of Directors, ensure that the notice of meeting states which Directors are standing for election or re-election with a brief description;
- ensure that the Chairman provides reasonable time for discussion at the meeting. Where appropriate, the Chairman will also undertake to provide the enquirer with a written answer to any significant question which cannot be answered immediately;
- the Chairman shall also inform shareholders of their right to demand a poll vote at the commencement of the general meeting;
- ensure that substantive resolutions including, but not limited to, related party transactions, are considered by poll and to announce the detailed results of the votes cast for and against each resolution;
- ensure that there is a channel of communication for feedback and queries from shareholders. The MD or any competent officer may address the shareholders on the review of the Group's performance for the financial year and outlines the prospects of the Group for the subsequent financial year;
- ensure that the Chairman of the Board shall be the Chairman of all general meetings; and
- ensure that the Company publishes these measures listed above, on its corporate website on a dedicated Corporate Governance section.

5 Board Processes Board meetings

5.1.1 Meetings will be conducted at least on a quarterly basis. The Company Secretary shall in advance prepare and distribute an annual meeting timetable for all required to attend the meetings.

5.1.2 Additional meetings may be convened to table matters of urgency upon the request of at least two (2) Directors. The Company Secretary shall prepare and distribute a timetable for all required to attend the meetings.

5.1.3 The Chairman of the Board - or in his absence, the Directors shall elect one (1) of their number to be Chairman of the meeting.

- 5.1.4 The Board may invite other senior officers to attend the Board meeting for particular items within their responsibility as well as external parties such as the auditors, solicitors and consultants as and when the need arises.
- 5.1.5 Questions arising at any meeting of the Directors shall be decided by a majority of votes. Resolutions of the Directors at a meeting or adjourned meeting of the Directors shall be adopted by all Directors present. In the event issues requiring the Board's decision arise between meetings, such issues shall be resolved through circular resolution subsequent to discussions being held amongst the Board members, either via teleconference, videoconference, email, etc. in order for the Board as a whole to be apprised on such matters and obtain their view points before arriving at a decision.
- 5.1.6 Such circular resolution in writing shall be valid and effective if it is signed or approved by letter, telex, facsimile or telegram by all the Directors, and such discussions, including any concerns raised and the rationale for the decisions so made in the resolution shall be tabled at the immediate Board meeting for formal record keeping.
- 5.1.7 The Directors may participate in a meeting by means of telephone and video conference or by other means of communication. The Directors participating in any such meeting shall be counted in the quorum for such meeting. All resolutions agreed upon by the Directors in such a meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held. All information and documents must be made equally available to all participants prior to, at, or during the meeting.
- 5.1.8 A Director shall abstain from deliberation and voting on contracts or proposed contracts or arrangements in which he has direct/ indirect interests either in the capacity as an officer or a shareholder of the Company.

5.2 Agenda

- 5.2.1 The Chairman, in conjunction with the MD and the Company Secretary, shall undertake the primary responsibility for preparing the Board's agenda. The agenda should include matters specifically reserved for the Board's decision.
- 5.1.1 The agenda shall address high-priority strategic and operational issues, where necessary, and ensure that there is enough time for discussion. Agenda issues shall be aligned with the overall Company's context, including its starting situation, aspiration and priorities.

5.3 Meeting papers

- 5.3.1 The Board Papers include, among others, the following:
- Summary of the financial performance of the Group;
 - Minutes of the previous Board meetings;
 - Minutes of the previous Board Committee meetings;
 - Quarterly financial results of the Group;
 - Financial performance and operations of the divisions; and
 - Ongoing projects and plans for ongoing projects leading towards the future and its anticipated impact on the group
- 5.3.2 Separate reports shall be prepared as and when needed for the Board's deliberation on strategic and policy issues, major investments and major financial decisions.

- 5.3.3 To allow ample time for the Directors to consider the relevant information, Board papers and agenda items are to be circulated at least seven (7) days or a shorter period where unavoidable, prior to the meeting. Where there is a need to table a report, a brief statement of findings and/or recommendations is prepared.
- 5.3.4 Minutes of the previous Board meeting should be circulated fourteen (14) days before the forthcoming Board meeting. The practice is for minutes to record processes and decisions rather than a historical narrative of the discussion. If one or more Directors request their opinion to be noted, the Company Secretary shall comply with the request.

5.4 Access to Information

- 5.4.1 A record of submissions, papers and materials presented to the Board, is maintained and held by the Company Secretary together with minutes of meetings, and is accessible to the Directors.
- 5.4.2 All Directors (Executive and Non-Executive) have the same right of access to information relevant to the furtherance of their duties and responsibilities as Directors of the Company, subject to a formal written request to the Chairman furnishing satisfactory and explicit justification for such a request.

5.5 Independent Professional Advice

- 5.5.1 The Board as well as any Director is entitled to obtain independent professional advice relating to the affairs of the Group or to his responsibilities as a Director.
- 5.5.2 If a Director considers such advice necessary for the discharge of his duties and responsibilities as Director and, for the benefit of the Company, such Director shall first discuss it with the Board and, having done so, shall be free to proceed, where appropriate.

5.6 Appointment, Vacation of Office and Removal of Directors

- 5.6.1 Reference shall be made to Section 15.05 of the Listing Requirements, Companies Act 1965, the Company's Articles of Association with regards to the qualification, vacation of office and removal of Directors.
- 5.6.2 Upon the appointment of a Director, the said Director shall provide to Bursa Malaysia an undertaking prescribed by Bursa Malaysia immediately and in any event not later than fourteen (14) days.
- 5.6.3 Where a Director is removed from office, EUPE must forward to Bursa Malaysia a copy of any written representations made by the Director at the same time as copies of such representations are sent to shareholders/ management of EUPE under Section 128(3)(b) of the Companies Act, 1965.

5.7 Directors' training

- 5.7.1 There is no orientation and education program for new recruits to the Board as it is the Company's practice to appoint only individuals of sufficient experience and calibre to carry out their Directorial duties.
- 5.7.2 Directors are required to undergo the mandatory accreditation programme under the auspices of Bursa Malaysia.
- 5.7.3 Directors are required to attend relevant training courses/seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of Directors as well as technical matters, for example, financial reporting standards, tax budgets, etc.

- 5.7.4 Annual training plan shall be proposed by the Nominating Committee based on the annual performance assessment and the Board's discussion on the training needs. Directors may request for additional training, if needed.
- 5.7.5 All trainings attended by Directors shall be disclosed in the Annual Report. In special circumstances, valid justifications for non-attendance at any training by Directors for the financial year shall also be disclosed.

5.8 Directors' External Commitments and Conflict of Interest

- 5.8.1 Directors shall devote sufficient time to carry out their responsibilities. The Board should obtain this commitment from its members at the time of appointment. Each Director is expected to commit to attend at least 50% of the Board meetings.
- 5.8.2 Directors shall notify the Chairman before accepting any new directorships and the notification shall provide for an indication of time that will be spent on the new appointment.
- 5.8.3 A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare his interest in accordance with the provisions of the Companies Act, 1965. The Director concerned shall not participate in deliberations and shall abstain himself from casting his votes in any matter arising thereof, except for those circumstances provided under Article 117 (1)(a) and (b).
- 5.8.4 Should there be an actual, potential or perceived conflict of interest between the Company or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, the Director involved shall make full disclosure and act honestly in the best interest of the Company.
- 5.8.5 An actual, potential or perceived conflict of interest shall not necessarily disqualify an individual Director from the Board provided that full disclosure of the interest has been made in good faith and with due honesty.
- 5.8.6 The Company Secretary should facilitate the Directors' annual independence and conflict of interests declarations, which will allow the Directors to perform an annual self-declaration on independence (i.e. for Independent Non-Executive Directors) and conflict of interest (i.e. for all Directors).

6 Directors' Remuneration

- 6.1 Directors' remuneration packages are dictated by market competitiveness and level of experience or responsibilities involved.
- 6.2 Reviews or changes to the existing remuneration package shall be deliberated by the Board as a whole.
- 6.3 The amount of remuneration payable shall be determined with reference to the Directors' Remuneration Policy set out in **Appendix VII**.

7 Board and Member Assessment

- 7.1 The Nominating Committee is entrusted by the Board to review the performance and effectiveness of the Board and Board Committees, including individual Directors, annually, with the assessment report, together with a report on the Board balance covering the required mix of skills, experience and other qualities of Board members for discussion at the full Board. Refer to **Appendix VI** for the Terms of Reference for Nominating Committee.

8 Representation of the Company

- 8.1 The Board has enforced a Corporate Disclosure Policy to ensure the comprehensiveness; accuracy and timeliness of information disclose and to ensure compliance with the relevant disclosure requirements as enumerated in the Listing Requirements. Refer to **Appendix VIII** for the Corporate Disclosure Policy.
- 8.2 The Company shall consider the use of information technology in communicating with stakeholders, including a dedicated section for Investor Relations on the Company's website. This section shall provide information such as, amongst others, the Quarterly Financial Announcements and the Annual Reports.

9 The Company's Constitution and Management's Limits

- 9.1 The Board operates pursuant to the powers and subject to rules in the Memorandum and Articles of Association of the Company as adopted by the shareholders in general meeting.
- 9.2 Management is expected to act within all specific authorities delegated to it by the Board.
- 9.3 Management is expected not to cause or permit any practice, activity or decision that is contrary to commonly accepted good business practices or professional ethics.

10 Directors' Code of Ethics

The Directors shall observe the Directors' Code of Ethics as follows:

- a. Compliance at all times with this Code of Ethics, the Board Charter and regulatory requirements expected to be adhered to by Directors of the Company;
- b. Observe high standards of corporate governance, in particular the practices set out in the Malaysian Code on Corporate Governance 2012, the Main Market Listing Requirements of Bursa Malaysia, the Companies Act, 1965 and the Capital Markets and Services Act, 2007 (Amended 2010);
- c. Adhere to the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
- d. Act in good faith and in the best interest of the Company;
- e. Not misuse information gained in the course of duties for personal gain or for any other purpose, nor seek the opportunity of the service as Directors to promote private interests or those of connected persons, firms, businesses or other organisations;
- f. Ensure the Company's resources are safeguarded and that the Company conducts its operations economically, efficiently and effectively at all times;
- g. Directors shall not accept positions in Board Committees or working groups where a conflict of interest is likely to arise, without first declaring their interest at Board meeting;
- h. Directors shall declare any personal, professional or business interests that may conflict with their responsibilities as Directors of the Company; and

- i. Directors shall adhere to the regulatory requirements pertaining to trading in the Company's shares, including insider trading.

FORMAL SCHEDULE OF MATTERS RESERVED FOR THE BOARD'S DECISION

Careful preparation of the meeting agenda enhances Board's productivity and strengthens its supervisory role.

At every regular Board meeting, Directors should amongst others:

- Review outstanding major action items from previous meetings and discuss emerging issues that could affect the business of the Group.
- Receive reports from the MD on operational and performance-related matters and strategic issues;
- Discuss and approve capital expenditure and investment transactions above delegated levels as narrated in the Discretionary Authority Limits set out in **Appendix II**;
- Review and approve financial statements of the Company and Group for lodgement with the various authorities; and
- Any other pertinent matters that may be decided upon by the Board from time to time.

A range of other matters for Board's decision that should be periodically included on the Board agenda is as follows:

A. Corporate and Strategic planning

- Approval of proposed corporate exercise;
- Approval of acquisitions and disposals, investments and divestments;
- For any proposed acquisitions, mergers, divestments and takeovers, ascertain that assets are appropriately valued, and that the Company's shares are fairly valued by the market, to reduce susceptibility to takeover; and
- Conduct regular analyses of trading activity in the Company's shares, and identify areas of concern.

B. Formulating and monitoring critical company policies

- Formulate and monitor systems, policies and procedures, including:
 - risk management policy and procedures;
 - system of internal control; and
 - delegation of authority to Board Committees like the Audit Committee and Nominating Committee; and
- Ensure these policies are properly documented and communicated to all relevant personnel.

C. Reporting controls

Via the Audit Committee:

- Internally, review management information systems to ensure that both Board and Management are receiving relevant and reliable information;
- Externally, review existing accounting policies against the appropriate standards, and review the questionnaire completed by Management to ensure that the published financial statements are true and fairly stated; and
- Approve regulatory reporting, i.e. quarterly and other announcements to authorities.

D. Internal controls: regulatory compliance

Via the Audit Committee:

- Review regulations affecting the Group's operations;
- Develop and review systems for monitoring regulatory compliance; and
- Review compliance reports prepared by internal audit.

E. Internal controls: internal audit

Via the Audit Committee:

- Review the scope and depth of coverage of the internal audit function;
- Review and discuss reports from the internal auditors on internal control recommendations, and confirm that appropriate action has been taken; and
- Ensure that there is effective communication and liaison between the internal and external audit functions.

F. Internal controls: external audit

Via the Audit Committee:

- Review the draft letter of representation requested by the external auditors, and confirm that the representations have been considered;
- Ensure that issues raised by the external auditors have been satisfactorily resolved; and
- Review the external auditors' internal control recommendations, and ensure appropriate action has been taken.

G. Appointment and termination

- Consider approving the appointment, resignation/termination of Director, Company Secretary and auditors;
- Consider recommendation and approval of Directors to fill the seats on Board Committees;
- Review and assess annually:
 - the required mix of skills and experience of the Board, including the core competencies, which Non-Executive Directors should bring to the Board; and
 - the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director.
- Review and approve the recommendations from the Remuneration Committee, remuneration packages of the Executive Director and recommend fees and emoluments of Non-Executive Directors for shareholders' approval at Annual General Meeting.

This appears a formidable list of duties. However, some of these matters need only be looked at annually or semi-annually. Many of them will be presented to the Board in the form of management reports. However, Directors should ensure that:

- these reports are read;
- any issues of concern arising from these reports are queried; and
- problems identified are dealt with in an appropriate manner.

DISCRETIONARY AUTHORITY LIMITS

The Group is expected to comply with the Listing Requirements in relation to transactions which require the shareholder' approval at a General Meeting.

Non-recurring expenses/ exceptional items involving a value of more than \$500,000 shall be brought to the attention of the Board. Likewise, new business venture or deals that may lead to contingent liability/long term commitment of the company shall be highlighted to the Board.

The Managing Director/ Executive Directors of operations shall be responsible to decide the appropriate discretionary authority limit for Management on operational and capital investment transactions in the ordinary course of conducting business. Expenditure Authorisation Requests are to be accompanied by appropriate supporting business and financial data to support its viability. The data is to be submitted in a form that permits monitoring of actual project costs and benefits through the Company's control reports.

The purpose of setting Discretionary Authority Limits is to facilitate empowerment of employees for faster decision making. Substance over form, the Management must consistently monitor abnormal expenses or items that are procured at unreasonably high prices. Transactions costing more than 5% of the departmental monthly expenses fall into such category.

BOARD DIVERSITY POLICY

Purpose

The Board Diversity Policy (the “Policy”) has been adopted by the Board of Directors of the EUPE Group on in June2013 and it sets out the approach to diversity on the Board of Directors (the “Board”) of EUPE Corporation Berhad (“EUPE” or the “Company”).

Scope of application

The Policy applies solely to the Board and does not extend to cover diversity in the Company’s recruitment practices of non-Board personnel.

Policy statement

The Board strongly endorses board diversity as it is of the view that a diversified Board has the prospects of achieving greater effectiveness, creativity and capacity to thrive in a challenging and uncertain business environment. The Board takes into consideration and aims to make good use of the differences in the skills, regional and industry experience, background, race, gender and other qualities of its Directors.

Hence the Board strives to ensure that there is no discrimination on the basis of, but not limited to, race, age, ethnicity, gender, nationality, political affiliation, religious affiliation, sexual orientation, marital status, education physical ability or geographic region when deciding on the composition of the Board.

The Company’s strategic intent for boardroom diversity is the attraction, retention and development of a diverse team of skilled people towards the delivering of the Company’s strategy. The Policy is centered on the following initiatives:

- (1) Identifying and creating the right balance of skills and industry experience, background and gender of Directors.
- (2) Retaining Directors based on performance and merit, in the context of skills, time commitment and experience, in order for the Board to be effective; and
- (3) Providing a safe and healthy environment for the views of Board members to be heard, their concerns attended to and where, bias, discrimination and harassment on any matter are not tolerated; and
- (4) The Board’s Nominating Committee to review and assess the Board composition and mix and make recommendations on the appointment of new Directors.

Measurable Objectives

The Board is mindful that for any set objectives to be effective, they should be measurable. On an annual basis, the Nominating Committee will discuss the measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption, where applicable.

Monitoring and Reporting

Disclosure will be made in the corporate governance section of the EUPE’s Annual Report. The Annual Report will include a summary of this Policy, the measurable objectives set for implementing the Policy and progress made towards achieving those objectives, where applicable.

Review of the Policy

The Nominating Committee will review and assess the effectiveness of the Policy as and when required. The Committee shall deliberate on appropriate amendments to be made to the Policy to make it more cohesive and any recommendation for revisions shall be highlighted to the Board for approval.

DIRECTORS' INDEPENDENCE POLICY

1 Background and Purpose

The Board of Directors of the EUPE Group values independence and objectivity in its decision making process. At least 2 directors or one third (1/3) of the Board, whichever is the higher, shall be independent directors which aligns itself with the requirement in Paragraph 15.02 of the Listing Requirements.

2 Method and Criteria

The board's test for independence involves determining if the Director is independent of management and free of any business or other relationships that could materially interfere with the exercise of objective, unfettered or independent judgement.

While it is not possible to explicitly provide for all circumstances that may be relevant to a Director's independence, a Director shall normally be considered independent if he or she satisfy the definition of "independent director" set out in paragraph 1.01 of the Listing Requirements.

3 Assessment of independence

The Board, assisted by the Company Secretary, shall conduct assessments upon appointment and annually thereafter to assess and further determine the state of the directors' independence. The directors shall also uphold the responsibility of updating the Board with any new information in relation to interests or relationships that could possibly impair their independence.

The Board will re-assess determinations of independence upon any such disclosure by a Director. In performing the assessments or verifying the results of an internally performed assessment, the Board may engage the services of an external consultant.

Upon reaching the nine (9) year tenure limit as stated in the Board Charter, an Independent Director may continue to serve on the Board upon re-designation into a Non-independent Director. However, where the Board is of the view that the Independent Director can continue as an Independent Director beyond the 9-year tenure, it must justify and seek shareholders' approval. In providing for such justification, the Directors' objectivity, commitment, contribution, experience and expertise as well as other relevant reasons shall be taken into consideration. Additional independence assessments may need to be carried out by the Board and is to be determined when the need arises.

4 Disclosure

The Board will make the following disclosure to shareholders EUPE's annual report.

- Independent and Non-independent Directors (and any change in status that occurred during the year) will be identified and their period office will be stated; and
- Thresholds adopted by the Board to assist in the assessment and determination of independence.

Independent and non-independent Directors standing for re-election will also be identified. If the Board's assessment of a Director's independence changes, that change will be disclosed immediately through an announcement to Bursa Malaysia Securities Berhad.

5 Administration

The Company Secretary is responsible for the administration, revision, interpretation, and application of this policy. The Policy will be reviewed annually and revised as needed. Any amendments to this Policy must be approved by the Board of EUPE.

6 Reference point

Any questions regarding this Policy shall be directed to the Company Secretary and/ or Legal Department of EUPE.

TERMS OF REFERENCE FOR AUDIT COMMITTEE

1 Objectives

The Audit Committee's (the "Committee") aim is to assist the Board of Directors (the "Board") in fulfilling the following objectives:

- Review the Group's processes relating to its governance and internal control;
- Oversee the corporate accounting and financial reporting practices; and
- Evaluate the Group's internal and external audit processes.

2 Membership

The Committee shall be appointed by the Board from amongst their number and shall be composed of no fewer than three (3) members, the majority of whom are to be Independent Directors.

All members of the AC must be non-executive directors.

All members of the AC shall be financially literate and at least one (1) member of the Committee:

- must be a member of the Malaysian Institute of Accountants ("MIA"); or
- if he is not a member of the MIA, he must have at least three (3) years working experience and:
 - He must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
 - He must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967;
- He must fulfil such other requirements as prescribed or approved by the Exchange .

No alternate Director is appointed as a member of the Committee.

The members of the AC shall elect a Chairman from amongst their number who shall be an Independent Director.

In the event of any vacancy in the Committee resulting in the non-compliance of the above requirements, the vacancy must be filled within 3 months.

3 Quorum and Committee's Procedures

Meetings shall be conducted at least four (4) times annually, or more frequently as circumstances dictate.

In order to form a quorum for a meeting, the majority of members present must be Independent Non-Executive Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

Any two (2) members of the Committee present at the meeting shall constitute a quorum.

The Company Secretary shall be appointed Secretary of the Committee and in conjunction with the Chairman, shall draw up agenda, which shall be sent to all members of the Committee and other persons who may be required/ invited to attend all meetings to review the quarterly results and annual financial statements shall be held prior to such quarterly results and audited financial statements being presented to the Board for approval.

Notwithstanding the above, upon the request of any member of the Committee, the external auditors or the internal auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider matters brought to its attention.

The external auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so by the Committee.

The internal auditors shall be in attendance at meetings of the Company to present and discuss the audit findings and the recommendations relating to such findings.

The Committee may and as and when deemed necessary, invite members and senior management members to attend the meetings.

It is at the Committee's discretion to meet with the external auditors at least twice (2) a year without the presence of the Executive Directors. If the Committee members are satisfied with the reporting practices as well as the level of independence shown by the external auditors, or they are able to clarify matters directly with the external auditors and do not feel the need to convene a meeting, this meeting shall not be held.

The Committee shall regulate the manner of the proceedings of its meetings.

4 Authority and Rights

- The Committee shall in accordance with the procedure determined by the Board and at the cost of the Company;
- Have the authority to investigate any matter within its terms of reference;
- Have the resources which are required to perform its duties;
- Have full and unrestricted access to any information pertaining to the Group;
- Have direct communication channels with the external and internal auditors;
- Be able to obtain independent professional or other advice and to secure the attendance of outsiders with the relevant experience and expertise if it considers this necessary; and
- Be able to convene meetings with the external auditors, the internal auditors of both, without the presence of the other Directors and employees of the Company, whenever deemed necessary.

5 Internal Audit

The Company must establish an internal audit function which is independent of the activities it audits.

The Company must ensure its internal audit function reports directly to the Committee.

6 Responsibilities and duties

In fulfilling its primary objectives, the Committee shall undertake the following responsibilities and duties - review the following and report the same to the Board:

- with the external auditors, the audit scope and plan;
- with the external auditors, an evaluation of the quality and effectiveness of the accounting system;
- with the external auditors, the evaluation of the system of internal controls;
- with the external auditors, the audit report;
- the assistance rendered by employees of the Company to the auditors;
- with the internal auditors, the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;

- with the internal auditors, the adequacy and integrity of the internal control system and the efficiency of the Group's operations and efforts taken to reduce the Group's operational risks;
- the internal audit programme, processes and results, and the actions taken on the recommendations of the internal audit function;
- the appointment, performance and remuneration of the internal audit staff;
- the quarterly results and annual financial statements prior to the approval by the Board, focusing particularly on:
 - changes in or implementation of major accounting policy;
 - significant or unusual events;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements.
- any related party transaction and conflict of interest situation that may arise within the Company / Group, including any transaction, procedure or course of conduct that raises questions of management integrity;
- the nomination, appointment and performance (including objectivity and independence) of external auditors, the audit fee and any question of resignation or dismissal before making recommendations to the Board;
- with the external and internal auditors, major audit findings, reservations or material weaknesses and the Management's response in involving the audit issues reported during the year and other activities, as authorized by the Board;
- the non-audit services provided to the Company including the nature of the non-audit services, fee levels (individually and on aggregate relative to the external audit fees) and safeguards deployed to reduce or eliminate the threat to objectivity and independence in the conduct of the external audit resulting from the non-audit services provided; and
- the development of and its review for recommendation to the Board, the Company's policy in relation to the provision of non-audit services by the external auditors, which amongst others, takes into consideration:
 - the skills and experience of the firm;
 - the safeguards eliminate or reduce any threat to objectivity or independence in the conduct of the audit resulting from non-audit services provided by the external auditors;
 - the nature of the non-audit services and fee levels.

TERMS OF REFERENCE FOR NOMINATING COMMITTEE

1 Objectives

The Nominating Committee (“NC”) of EUPE was formed by the Board in July 2013. Its primary function, in line with the Malaysian Code on Corporate Governance and Paragraph 15.08A (2) of the Listing Requirements is to assist the Board in the following areas:

- Develop and review policies and procedures governing the composition for effective and efficient functioning of the Board;
- Review and assess the mix of skills, experience, size and diversity of the Board;
- Recommend to the Board on candidates for directorship, on the re-appointment and re-election of Directors and the Directors to sit on Board Committees;
- Review and assess the contribution, effectiveness and performance of individual Directors, as well as the effectiveness of the Board and its Committees;
- Review and assess the criteria for assessment of independence for Independent Directors (“IDs”); and
- Recommend to the Board the continuation of office of the IDs whose tenure has exceeded a cumulative term of nine (9) years, as ID of the Company.

The existence of the NC does not diminish the Board’s ultimate responsibility for decision-making relating to the work of the NC.

2 Membership

The membership of the NC shall comprise of exclusively Non-Executive Directors (“NEDs”), a majority of whom must be independent and consist of at least three (3) members.

3 Quorum and Meeting Procedures

The NC shall meet at least once (1) a year. More meetings may be conducted if the need arises. The quorum for a meeting of the NC shall be two (2) members.

Should the Chairman of the NC be absent from meeting, the NC members present shall appoint a Chairman from amongst them for that particular meeting. In addition to the regular scheduled meeting, the Chairman shall call a meeting of the NC if so requested by any member of the NC or by the Chairman of the Board. If a member is unable to be physically present, the member may choose to participate via video or tele-conferencing.

The Secretary of the Company shall be secretary (the "Secretary") of the NC. The Secretary, in consultation with the Chairman of the NC, shall draw up the agenda of the meeting. The agenda, together with the relevant papers, shall be circulated at least seven (7) days prior to each NC meeting. The Secretary of the NC shall keep the minutes of meetings and copies thereof shall be circulated to all members of the Board.

4 Authority

The Board has authorised the NC, within the scope of its duties and responsibilities set out in this Charter to:

- perform the activities required to discharge its responsibilities and make the relevant recommendations to the Board;
- select, engage and obtain, at the cost of the Company, professional advice in order for the NC to carry out its duties; and
- have full and unrestricted access to information pertaining to the Company.

5 Rotation of Members

Rotation of the NC members is encouraged, where practical, to ensure undue reliance is not placed on a particular individual.

6 Attendance

The Chairman of the NC, or the NC members with the approval from the Chairman, may invite any person or persons to attend the NC meetings, but not necessarily for the full duration of the meeting.

7 Duties

The duties of the NC are as follows:

A. Board composition

- develop and review the Board Diversity policy by considering the mix of skills, experience, knowledge, independence and diversity representation of the Board to optimise its effectiveness, creativity and capacity;
- consider the size of the Board and Board Committees with a view of determining the impact of the number upon the Board's and Board Committees' effectiveness and recommend to the Board any improvements to be made; and
- review and oversee the development of a succession planning framework for Board members.

B. Board nomination and election process

- review the nomination and election process of directors including that for candidature in Board Committees;
- develop, maintain and review the criteria to be used in the recruitment process;
- make recommendations to the Board, candidates for all directorships in the Company. All candidates shall be assessed for suitability based on the following criteria:
 - skills, knowledge, expertise and experience;
 - character, professionalism and integrity;
 - diversity;
 - commitment;
 - competence;
 - contribution and performance;

- number of directorships and other external obligations held which may affect time commitment and value contribution; and
 - in the case of candidates for the position of ID, the NC shall also evaluate the candidates' ability to discharge such responsibilities/ functions as are expected from IDs.
 - set out and communicate the expectations of Directors regarding the level of contribution and time commitment, and obtain this commitment in writing including an indication of time that will be spent on the appointment, from the Directors upon appointment;
 - recommend to the Board, Directors to fill the seats on Board Committees;
 - review the re-appointment and re-election process of Directors having due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required; and
- C. Assessment undertaken in respect of its Board, Committees and individual Directors
- develop, maintain and review the criteria to be used in the assessment of Board as a whole, Board Committees and individual Directors;
 - conduct annual assessments on the effectiveness of the Board as a whole, Board Committees and the contribution of each individual Director;
 - conduct annual review on the required mix of skills, experience and other qualities of the Board, including core competencies which NEDs shall bring to the Board;
 - develop and review the criteria to assess the independence of INEDs.
- D. Training of Directors
- recommend to the Board and facilitate appropriate education programme for Directors;
 - evaluate the training needs of Directors based on Directors' feedback and results from assessments and propose relevant training courses;
 - ensure that the Directors are kept abreast of all regulatory changes and developments in the business environment.

8 Ethics and Procedures

All members shall safeguard all internal committee communications concerning any candidates and treat them as strictly private and confidential, and for the use of NC members only.

The NC may be required to check references and consult selected third party sources on a confidential basis before making its final recommendations. The NC shall work diligently amongst the members of the Board in performing its evaluations and adhere to the Code of Ethics.

9 Review of the Terms of Reference

The terms of reference shall be reviewed by the NC as and when required. All amendments to the terms of reference must be approved by the Board.

DIRECTORS' REMUNERATION POLICY

1 Purpose

The Remuneration Policy ("the Policy") has been adopted by the Board of Directors of EUPE Corporation Berhad (the "Company" or "EUPE") in June 2013 and it sets out to provide remuneration principles and guidelines for the Non-Executive Directors ("NEDs") and Executive Director ("ED") of EUPE.

The Policy is designed with the aim to support the Company's key strategies and create a strong performance-orientated environment, and be able to attract, motivate and retain talent. The Remuneration Policy shall adhere to the following key principles:

- Total remuneration should be set at levels that are competitive with the relevant market and industry;
- ED's total reward should be linked to performance (i.e. earned through the achievement of performance targets); and
- Incentive plans, performance measures and targets should align to shareholders' interest.

Remuneration of EDs are made up of basic salaries, monetary incentives, and fringe benefits and is linked to the achievement of corporate performance targets. ED's remuneration shall be in accordance with their respective service contracts.

Remuneration of NEDs are made up of directors' fees and allowances. The level of remuneration for the NEDs must reflect the experience and level of responsibilities undertaken by the NED concerned.

2 Determination of the remunerations

The Board recognizes the need to be competitive in today's volatile business environment and the Directors' remuneration packages are dictated by market competitiveness and level of experience or responsibilities involved. Any review or change to the existing package will be deliberated upon by the Board as a whole, with individual Directors abstaining from discussion of his/ her own remuneration.

The practice is to ensure that the remuneration packages are tailored to retain and motivate Directors of the quality required to manage the business of the Company and to align the interest of the Directors with those of the shareholders.

3 Policy on Salaries of Executive Director

The remuneration of the ED is to ensure the Company's continued ability to attract and retain the most qualified Executive Board members.

Salary for ED consists of both fixed (i.e. base salary) and variable (performance based incentive) remuneration components. Salaries payable to executive directors may not include a commission on or percentage of turnover and the performance-based incentive is determined in a manner which promotes sound risk management and does not induce excessive risk-taking.

Variable remuneration may contain any or all of the following:

- Special short-term incentive (i.e. bonus) payments to reward individuals for outstanding business contributions, and in meeting KPIs and/ or set at a level sufficient to provide the ED with the motivation to achieve operational targets; and

- The long-term incentive (i.e. performance based incentive) payments shall be designed to link the ED's reward with KPIs that drive sustainable growth in shareholder value over the long term, with the objective of aligning the ED's incentives with shareholders' interests, and to balance the short-term with long-term focus.

4 Policy on Other Benefits (Non-Cash Benefit) for the Executive Director

Executive directors shall be entitled to benefits provided to employee of the Company and other additional benefits as approved by the Board.

Allowances relating to business expenses (i.e. entertainment and travel) incurred are reimbursed in such a way as to give rise to no additional compensation to the ED. All claims for reimbursements must be accompanied with receipts and should be submitted to the respective immediate superior for processing on a timely basis.

5 Policy on Remuneration of Non-Executive Directors

NEDs receive remuneration in the form of directors' fees as compensation for their services plus the reimbursement of expenses (i.e. meeting allowances) incurred in the course of performing their services.

The fees of the NEDs are reviewed by the Board and where necessary, advised by subject matter experts or consultants, taking into account the fees paid to NEDs of comparable companies and capacity to attract and retain highly competent NEDs.

NEDs are not entitled to receive performance-based bonuses nor participate in short-term and / or long-term incentive plans.

6 Corporate Governance

Board will review and assess the effectiveness of the Policy on a regular basis. Any amendment to the policy shall be deliberated and approved by the Board as a whole.

The Board will submit any increment in Directors' fees to the General Meeting for approval, with notice of the proposed increase has been given in the notice convening the meeting.

Disclosure on the Directors' remuneration will be made in the corporate governance statement of the Company's Annual Report. Such report will include a summary of this Policy and details of the directors' remuneration in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad.

CORPORATE DISCLOSURE POLICY

Scope and objectives of Policy

This Corporate Disclosure Policy (hereinafter referred to as the “Policy”) aims to integrate the mandatory requirements set out in the Listing Requirements (“LR”) set by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Paragraph 9.03 Part C with the Recommendations promulgated by the Malaysian Code of Corporate Governance 2012 (“MCCG 2012”).

This document outlines the Company’s policy on the determination and dissemination of sensitive and material information to investors, stakeholders, local media, the investing public and other relevant persons in line with the applicable legal and regulatory requirements. This Policy is applicable to all Directors, Management staff, officers and employees of the Company and its subsidiaries.

Immediate disclosure of material information

Immediate announcements must be made of material information in accordance with the LR set out by Bursa Malaysia. Once materiality of the information has been assessed, the designated spokesperson is responsible for the timely disclosure of the information in accordance with the disclosure obligations set out in the LR. A general guideline to determine materiality is if the information is reasonably expected to impact on:

- price, value or market activity of any of its securities; or
- investors’ decision in determining his course of action.

The Board is aware of the confidentiality and sensitivity of undisclosed information and ensures that measures are in place to prevent divulgence of such information.

All disclosures made must be in a reader-friendly format allowing for easy understanding by all parties. EUPE is committed to disclosing information that is accurate, succinct, balanced, unambiguous and free of technical jargon.

Disclosures made are to adhere to the following protocols:

- all critical announcements are to be circulated to, and reviewed by, all members of the Board;
- all members of the Board are required to provide to the Chairman or MD (or in their absence the Company Secretary) with verbal or written approval of each announcement, prior to its release;
- any relevant parties referenced in the announcement should also review the announcement prior to its release, to confirm the accuracy of the information; and
- the Chairman or MD (or in their absence, the Company Secretary) is to provide his approval of the announcement before release to Bursa Malaysia.

Designated Spokesperson

The Company shall elect a spokesperson to be responsible for the oversight and coordination of the disclosure of material information to the markets. The duties of the spokesperson shall include:

- creating awareness amongst the directors, management and employees of EUPE on the importance of timely disclosures;
- review the material for disclosure to ensure adherence to regulatory requirements;
- ensures that the material is duly verified by the Board/ MD;
- ensures the information is disclosed in a timely manner as prescribed by regulations;
- maintain accurate records pertaining to all disclosures made; and
- is constantly updated on developing material information in relation to EUPE.

The level of autonomy for the designated spokesperson is a matter for deliberation of the Board as a whole.

Thorough public dissemination

EUPE shall release material information to the public via announcement first to Bursa Securities or simultaneously to Bursa Securities, the press and newswire services. No disclosure of material information shall be made on an individual or selective basis unless such information has previously been fully disclosed and disseminated to the public. The disclosure of information can often be made after the market closes. Where disclosure is immediately before or during trading hours, Bursa Securities may impose a temporary halt or suspension in trading of EUPE's securities.

Market rumours

It is the policy of EUPE to clarify/ confirm or deny any circulating market rumours upon becoming aware of the presence of any material information. Any clarification provided will be in a published format, for the purpose of dissemination to the investing public.

Unusual Market Activity

EUPE shall carry out an enquiry to ascertain the cause of any unusual market activity in its securities. In the case of any misinterpretations, clarification shall be provided via the appropriate channels in the Exchange.

Insider Trading

The Company affirms its awareness of the provisions of Section 188 of the Capital Markets and Services Act in regards to insider trading. Directors, Management and employees of EUPE and its subsidiaries shall not trade on the basis of any material information that has not been disclosed to the public.

Promotional Disclosure Activity

Guided by the principles of fairness and transparency, EUPE shall not participate in any promotional disclosure activity that may have a misleading effect on its investors or cause unwarranted activity within its securities.

Administrative matters

On an annual basis, the Company Secretary will review and assess the effectiveness of the Policy. Any requirement for amendment shall be deliberated upon by the Board and any recommendations for revisions shall be highlighted proposed for approval.

The Policy will be held in the custody of the Company Secretary.