

ECO-SHOP MARKETING SDN. BHD.
200601014304 (734055-M)
(Incorporated in Malaysia)

DIRECTORS' WRITTEN RESOLUTION MADE PURSUANT TO THE CONSTITUTION OF THE COMPANY

1. FORMATION OF BOARD COMMITTEES AND ADOPTION OF TERMS OF REFERENCE

RESOLVED:

THAT the formation of the following Board committees comprising of members of the Board be and are hereby approved:

(i) Audit Committee ("AC")

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Chen Thai Foong	Chairman	Independent Director
Low Chooi Hoon	Member	Independent Director
Dato' Sri Azmi bin Abu Kassim	Member	Independent Director

THAT the Terms of Reference of the AC, a copy of which is annexed herewith, be and is hereby approved for adoption.

(ii) Nomination and Remuneration Committee ("NRC")

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Low Chooi Hoon	Chairman	Independent Director
Chen Thai Foong	Member	Independent Director
Dato' Sri Azmi bin Abu Kassim	Member	Independent Director

THAT the Terms of Reference of the NRC, having reviewed by the Directors, a copy of which is annexed herewith as Annexure B, be and is hereby approved for adoption.

(iii) Risk Management and Sustainability Committee ("RMSC")

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Dato' Sri Azmi bin Abu Kassim	Chairman	Independent Director
Chen Thai Foong	Member	Independent Director
Low Chooi Hoon	Member	Independent Director

THAT the Terms of Reference of the RMSC, a copy of which is annexed herewith, be and is hereby approved for adoption.

ECO-SHOP MARKETING SDN. BHD.

200601014304 (734055-M)

DIRECTORS' WRITTEN RESOLUTION

RE: 1. FORMATION OF BOARD COMMITTEES AND ADOPTION OF TERMS OF REFERENCE/

2. ADOPTION OF BOARD CHARTER AND POLICY

2. ADOPTION OF BOARD CHARTER AND POLICY

RESOLVED:

THAT having reviewed by the Board of Directors, the following documents, copies of which are annexed herewith, be and are hereby approved for adoption:

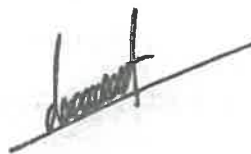
- (i) Board Charter; and
- (ii) Directors' Fit and Proper Policy.

Dated: 21 February 2024



DATO' CHAN WAH KIANG

BOARD OF DIRECTORS



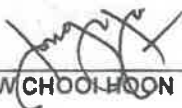
DATO' SRI LEE KAR WHATT



LIVIA CHAN LIH WEN

-signed-

CHEN THAI FOONG



LOW CHOOI HOON



DATO' SRI AZMI BIN ABU KASSIM

ECO-SHOP MARKETING SDN. BHD.

200601014304 (734055-M)

DIRECTORS' WRITTEN RESOLUTION

RE: 1. FORMATION OF BOARD COMMITTEES AND ADOPTION OF TERMS OF REFERENCE/

2. ADOPTION OF BOARD CHARTER AND POLICY.

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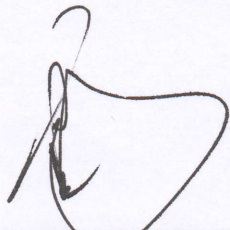
RESOLVED:

THAT having reviewed by the Board of Directors, the following documents, copies of which are annexed herewith, be and are hereby approved for adoption:

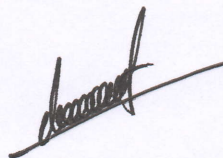
- (i) Board Charter; and
- (ii) Directors' Fit and Proper Policy.

Dated: 21 February 2024

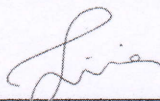
BOARD OF DIRECTORS



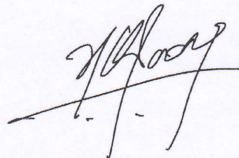
DATO' CHAN WAH KIANG



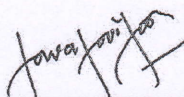
DATO' SRI LEE KAR WHATT



LIVIA CHAN LIH WEN



CHEN THAI FOONG



LOW CHOOI HOON

-signed-

DATO' SRI AZMI BIN ABU KASSIM

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The audit committee (“**AC**”) of Eco-Shop Marketing Berhad (“**Company**”) is to serve as a main communication point between non-AC Directors, the external auditors, internal auditors and the Company’s management as their duties relate to financial accounting and reporting and controls. The AC is to assist the Board of Directors of the Company (“**Board**”) in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Company and its subsidiaries (“**Group**”) and the sufficiency of auditing relative thereto. It is to be the Board’s principal agent in assuring the independence of the Company’s external auditors, the integrity of management, and the adequacy of disclosures to shareholders of the Company.

1. COMPOSITION

- 1.1 The Company must appoint AC members from among its Directors who fulfils the following requirements:
 - (a) the AC must be composed of not fewer than three (3) members;
 - (b) all the AC members must be Independent Directors. In this respect, the criteria for independence of the “Independent Directors” shall be as defined under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”); and
 - (c) at least one (1) member of the AC:
 - (i) must be a member of the Malaysian Institute of Accountants (“**MIA**”); or
 - (ii) if he/she is not a member of the MIA, he/she must have at least three (3) years of working experience and
 - a. must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - b. must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
 - (iii) fulfils such other requirements as prescribed or approved by Bursa Securities.
- 1.2 The AC members must elect a chairman among themselves.
- 1.3 The Chairman of the Board must not be a member of the AC.
- 1.4 The Company must ensure that no alternate Director, Chief Executive Officer or Managing Director is appointed as a member of the AC.
- 1.5 The AC members should possess a wide range of necessary skills to discharge its duties and should be financially literate, competent and are able to understand matters under the purview of the AC including the financial reporting process.
- 1.6 A former partner of the external audit firm and/or the affiliate firm (including those providing advisory services, tax consulting, etc) of the Company or any entity within the Group is required to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC.
- 1.7 The term of office, the effectiveness and performance of the AC and each of its members shall be reviewed by the Nomination and Remuneration Committee annually to determine whether the AC and its members have carried out their duties in accordance with these terms of reference.
- 1.8 All members of the AC, including its Chairman, will hold office only so long as they serve as Directors of the Company.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

- 1.9 Any vacancy in the AC (including its Chairman) resulting in the non-compliance of the above, shall be filled within three (3) months upon recommendation of the Nomination and Remuneration Committee.

2. CHAIRMAN

- 2.1 The Chairman of the AC is responsible for ensuring the overall effectiveness and independence of the AC.
- 2.2 He/she shall engage on a continuous basis with the senior management such as the Chief Executive Officer, Chief Financial Officer, head of internal audit function within the Group and external auditors in order to be kept informed of matters affecting the Group.
- 2.3 The Chairman (or in his absence, members of the AC) shall attend the annual general meeting of the Company and be available to answer questions relating to the AC's activities and on matters that are within the scope of the AC's responsibilities.

3. SECRETARY

- 3.1 The Company Secretary or such substitute as appointed by the Directors from time to time shall be the Secretary of the AC.
- 3.2 The Company Secretary, in consultation with the Chairman of the AC, shall draw up the agenda of the AC meeting. The agenda, together with the relevant support papers, shall be circulated at least five (5) business days or shorter notice where it is unavoidable, prior each meeting to the members of the AC.
- 3.3 Ensure proceedings of the AC meetings are recorded and the minutes circulated within thirty (30) business days after the meetings and reviewed by the AC before disseminating them to the Board.
- 3.4 Ensure the AC recommendations presented to the Board are supported by papers that explain the rationale for the AC's recommendations.

4. MEETING PROCEDURES

- 4.1 The AC shall meet at least four (4) times each financial year. Additional meetings may be convened when necessary.
- 4.2 If any member of the AC is unable to be physically present, he/she may choose to participate by means of a conference call, video, electronic or such communication facilities which would permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and the person shall be deemed to be present in person and shall be entitled to vote or be counted in a quorum accordingly.
- 4.3 The quorum for the AC meeting shall be majority of the members who are Independent Directors. In the absence of the Chairman, the members present shall elect a chairman for the meeting from among the members present.
- 4.4 Members of the AC are to be present at all AC meetings. If necessary or desirable, any other Director, members of management, the head of internal audit and representatives of the external auditors and/or internal auditors be invited to be present at the AC meetings.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

- 4.5 A matter put to vote at the AC meetings shall be decided by a simple majority of the votes. In the event of an equality of votes, the Chairman shall have a casting vote.
- 4.6 A member of the AC who has an interest or is involved directly or indirectly in any matter under consideration which may give rise to an actual or perceived conflict of interest situation, shall abstain from deliberating and voting.
- 4.7 The AC shall meet at least once a year with the internal and/or external auditors without the presence of any Executive Director, management or employees. The Chairman may request for additional meetings if they consider it necessary.

5. MINUTES

- 5.1 The Company shall cause minutes of all proceedings of the AC meeting to be entered in books for that purpose. Minutes of each meeting shall be signed by the Chairman of the meeting at which proceedings were held or by the Chairman of the next succeeding meeting.
- 5.2 Minutes shall be kept by the Company at the Registered Office and shall be open for inspection by any AC member or Board member.
- 5.3 The minutes of each AC meeting shall be distributed to the Board members for attention.

6. CIRCULAR RESOLUTION

- 6.1 A resolution in writing signed by a majority of the AC members for the time being shall be as valid and effectual as if it had been passed at a meeting of the AC duly called and constituted.
- 6.2 The resolution may consist of several documents in like form, each signed by one (1) or more AC members. Such document may be accepted as sufficiently signed by an AC member if it is transmitted to the Company by facsimile or other electrical or digital written message, which include a signature of the said AC member.

7. REPORTING

- 7.1 The AC, through its Chairman, shall report a summary of significant matters to the Board at the next Board meeting after each AC meeting.
- 7.2 The Company must ensure that its Board prepare an AC report at the end of each financial year that complies with the Listing Requirements.
- 7.3 The AC report must be clearly set out in the annual report of the Company.
- 7.4 The AC report must include the following:
 - (a) the composition of the AC, including the name, designation (indicating the Chairman) and directorship of the members (indicating whether the Directors are independent or otherwise);

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

- (b) the number of AC meetings held during the financial year and details of attendance of each AC member;
- (c) a summary of the work of the AC in the discharge of its functions and duties for that financial year of the Company and how it has met its responsibilities;
- (d) a summary of the work of the internal audit function; and
- (e) a summary of any conflict of interest or potential conflict of interest situation reviewed by the AC pursuant to the Listing Requirements (excluding a related party transaction), and the measures taken to resolve, eliminate, or mitigate such conflicts.

8. AUTHORITY

8.1 The AC shall:

- (a) have the authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to all information and documents within the Group which are required to perform its duties as well as to the internal and external auditors and management of the Group;
- (d) obtain external independent professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary;
- (e) have direct communication channels with the external auditors and person(s) carrying out the internal audit function;
- (f) be able to convene meetings with the external auditors, the person(s) carrying out the internal audit function or activity or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary; and
- (g) report to Bursa Securities if the AC is of the view that the matter they reported to the Board has not been satisfactorily resolved and which would have resulted in a breach of the Listing Requirements.

9. FUNCTIONS

The AC will undertake the following responsibilities and functions in fulfilment of the Listing Requirements and report on the same to the Board:

Financial Reporting

- 9.1** Review the quarterly results and the year-end financial statements of the Group, before submission to the Board for approval, focusing particularly on:
- (a) changes in or implementation of major accounting policy changes;

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

- (b) significant matters highlighted including financial reporting issues, significant judgement made by management, significant and unusual events and/or transactions and how these matters are addressed;
 - (c) significant adjustment arising from the audit;
 - (d) litigation or actions that could affect the financial position, performance or results materially;
 - (e) major judgemental areas;
 - (f) integrity of financial statements;
 - (g) the going concern assumption; and
 - (h) compliance with accounting standards and other legal requirements.
- 9.2 Review and provide advice on whether the financial statements taken as a whole provide a true and fair view of the Group's financial position and performance.
- 9.3 Review and monitor the Company's and the Group's finance function in respect of adequacy and sufficiency to support financial recording and reporting process to ensure accurate, complete, consistent and timely reporting.
- 9.4 Ask probing questions to ascertain whether the financial statements are consistent with operational and other information known, where there are significant matters requiring judgement.

External Auditors

- 9.4 Consider and recommend to the Board on the appointment or re-appointment of external auditors after assessing their independence and capabilities as well as the effectiveness of the external audit process.
- 9.5 Review the following and report the same to the Board:
- (a) letter of resignation from the external auditors or suggestions for their dismissal, including a copy of any written representations or statement of circumstances in relation with the resignation made by the external auditors, if applicable;
 - (b) whether there is reason (supported by grounds) to believe that the external auditor is not suitable for re-appointment; and
 - (c) nomination of a person(s) as external auditors.
- 9.6 Assess the suitability, objectivity and independence of the external auditors on an annual basis based on the policies and procedures that have been established and the annual performance evaluation of the external auditors undertaken by the AC. The policies and procedures must include among others consideration on:

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

- (a) the criteria to guide decisions on the appointment and re-appointment of the external auditors should include an assessment of the competence, audit quality and resource capacity of the external auditors in relation to the audit;
- (b) the adequacy of the scope, competency and resources of the audit function and that it has the necessary authority to carry out its work;
- (c) the appropriateness of audit fees to support a quality audit;
- (d) requirement for non-audit service to be approved by the AC before they are rendered by the external auditor and its affiliates while taking into account the nature and extent of the non-audit services and the appropriateness of the level of fees. The AC should avoid situations where the audit firm inadvertently assumes the responsibilities of management in the course of providing non-audit services. Such a situation may be a breach of the independence requirements on the part of the audit firm;
- (e) requirement to obtain written assurance from the external auditor confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and
- (f) the conduct of an annual evaluation on the performance of the external auditor and undertaking follow-up measures, where required.

9.7 Review the following with the external auditors and report the same to the Board:

- (a) audit plan;
- (b) audit report;
- (c) evaluation of the system of internal controls;
- (d) the assistance given by the employees to the external auditors, including any difficulties or disputes with management encountered during audit; and
- (e) external auditors' management letter and management's response thereto.

Internal Audit

9.8 Review the following with the internal auditors and report the same to the Board:

- (a) the adequacy of the scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
- (b) the internal audit plan, processes and the reporting structure;
- (c) the findings of the internal auditor's reports, investigations undertaken and whether or not appropriate actions are taken by the management, based on the recommendations of the internal auditors;

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

- (d) review the appraisal or assessment of the performance of the internal audit function on an annual basis; and
- (e) review any special audit which the AC deems necessary.

Related Party Transactions (“RPT”), Recurrent RPT (“RRPT”) and Conflict of Interest Situation

- 9.9 Establish comprehensive procedures for identifying, evaluating, approving and reporting RPT, RRPT and conflict of interest situations.
- 9.10 Monitor, review and report to the Board any RPT, RRPT and conflict of interest that arose, persist or may arise within the Company or Group, including any transaction, procedure or course of conduct that raises questions on management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts.
- 9.11 Where appropriate, make recommendations to the Board for approval that such transactions are based on normal commercial terms and not more favourable to the related parties than those generally available to their parties; at arm's length basis and are in the best interest of the Company which are not detrimental to the Company's non-interested shareholders.
- 9.12 To review the process used to procure the shareholders' mandate for RRPTs.

Others

- 9.11 Review all financial related reports/statements as required by the Listing Requirements, for inclusion in the annual report of the Company;
- 9.12 Verify the allocation of shares or options issued pursuant to the various employee incentive or retention schemes implemented by the Group (if any);
- 9.13 Obtain regular updates from the management regarding compliance matters;
- 9.14 Review findings, queries or investigation by the regulatory agencies (if any);
- 9.15 Review the adequacy and appropriateness of Anti-Bribery and Corruption Policy, and Whistleblowing Policy, when necessary; and
- 9.16 Carry out any other functions that may be mutually agreed upon by the AC and the Board.

10. REVIEW OF THE WRITTEN TERM OF REFERENCE

- 10.1 These terms of reference will be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the AC's responsibilities. The terms of reference may be revised or amended from time to time as and when required to meet good corporate governance practices. Any amendments to the terms of reference to be approved by the Board. Any amendments to these terms of reference to be approved by the Board.
- 10.2 The written terms of reference will be made available to public on the Company's website.

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

The nomination and remuneration committee ("**NRC**") of Eco-Shop Marketing Berhad ("**Company**") is to assist the Board of Directors of the Company ("**Board**") in the following areas:

- 1) reviewing the structure, size and composition of the Board, Board committee members and senior management of the Company and its subsidiaries ("**Group**") based on the following principles:
 - (a) ensure the Board is of an effective composition, size and commitment to adequately discharge its responsibilities and duties in meeting the Company's goals and objectives;
 - (b) ensure an appropriate framework and succession plans to achieve diverse talent pipeline for the Board and senior management;
 - (c) ensure the appointment of the Board members and senior management are based on objective criteria; and
 - (d) ensure the composition of the Board is refreshed periodically.
- 2) the remuneration policies and procedures of the Directors and senior management are well-structured, competitive and linked to the strategic objectives of the Company, reward contribution to the long-term success and growth of the Group and are made through a transparent and independent process.

1. COMPOSITION

The Board must appoint the NRC members from among its Directors and shall consist of not less than three (3) members, of which comprising exclusively non-executive Directors, with a majority of whom must be Independent Directors. No alternate Directors shall be appointed to the NRC. Each member shall devote sufficient time to carry out the responsibilities and duties as a member of the NRC.

In the event of any vacancy in the NRC resulting in the non-compliance of the above, the Board must fill the vacancy within three (3) months.

The Chairman shall be elected by the NRC from among their members, whom must be an Independent Director or the Senior Independent Director.

The Chairman of the Board must not be a member of the NRC.

2. CHAIRMAN

The NRC Chairman shall:

- (i) lead the succession planning and appointment of Board members, and oversee the development of a diverse pipeline for the Board and senior management succession, including the future Chairman, Executive Directors and Chief Executive Officer;
- (ii) lead the annual review of Board effectiveness, ensuring that the performance of each individual Director is independently assessed;

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

- (iii) ensure that all members are enabled and encouraged to play their full role as an NRC member and making certain that all members receive timely, relevant information tailored to their needs and that they are properly briefed on issues arising at the NRC meetings; and
- (iv) report on material issues, which have been deliberated at NRC meetings, to the Board.

3. SECRETARY

- 3.1 The Company Secretary or such substitute as appointed by the Directors from time to time shall be the secretary of the NRC.
- 3.2 The secretary, in consultation with the Chairman of the NRC, shall draw up the agenda of the NRC meeting. The agenda, together with the relevant support papers, shall be circulated at least five (5) business days or shorter notice where it is unavoidable, prior each meeting to the members of the NRC.
- 3.3 The secretary to ensure proceedings of the NRC meetings are recorded and the minutes circulated in a timely manner and reviewed by the NRC before disseminating them to the Board.

4. PROCEDURE OF NRC MEETINGS

4.1 Frequency of meetings

The NRC shall convene meetings at least once a year or as and when necessary.

The number of NRC meetings held during the financial year should be disclosed in the Company's Annual Report.

4.2 Quorum

No business shall be transacted at any NRC meeting unless a quorum is present. The quorum for the NRC meeting shall be two (2) members, with majority of Independent Directors.

The Chairman of the NRC shall chair the NRC meetings and in his absence, the members present shall elect one among themselves to be the Chairman of the meeting.

4.3 Calling of meetings

- (a) The Chairman of the NRC or the secretary, on the requisition of any NRC member, shall at any time summon a NRC meeting.
- (b) The NRC meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enable the NRC members as a whole to participate for the entire duration of the meeting, and that all information and documents for the meeting must be made available to all members prior to or at the meeting. A minute of the proceedings of such meeting is sufficient evidence of the proceedings to which it relates.

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

4.4 Notice

Unless otherwise agreed or in the case of an emergency, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be given in writing together with the relevant papers to each member and any other attendees, if any, at least five (5) business days in advance of the meeting.

The notice of each meeting shall be served to the member either personally or by fax or by post or by courier or by email or other electronic means provided by each NRC member.

4.5 Keeping of minutes

The minutes of each meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and kept as part of the statutory record of the Company.

The minutes of each NRC shall be distributed to the Board members for information.

4.6 Custody, production and inspection of such minutes

The minutes shall be kept by the Company at its registered office in Malaysia and shall be open for inspection of any NRC member, Board members, external auditors, internal auditors and other person deemed appropriate by the NRC without charge.

4.7 Written resolutions

A written resolution signed or approved via letter, telefax, email or other electronic means by all/majority of the NRC members (and for so long as the shares of the Company are listed on Bursa Malaysia Securities Berhad shall include at least two (2) Independent Directors), shall be valid and effectual as if it has been passed at a meeting of the NRC duly convened, held and constituted. Any such resolution may be executed in any number of counterparts, each signed by one or more members of the NRC all of which taken together and when delivered to the secretary of the NRC shall constitute one and the same resolution.

4.8 Attendance

Members of the NRC are to be present at all NRC meetings. If necessary or desirable, any other Director, members of management, the head of internal audit and representatives of the external auditors and/or internal auditors be invited to be present at the NRC meetings.

The attendance of each individual member in respect of NRC meetings held should be disclosed in the Company's Annual Report.

4.9 Voting

Any decision to be taken shall be decided by a simple majority of votes and in the case of equality, the Chairman of the meeting shall have a casting vote.

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

A member of the NRC who has an interest or is involved directly or indirectly in any matter under consideration which may give rise to an actual or perceived conflict of interest situation, shall abstain from deliberating and voting.

4.10 Reporting

The Chairman of the NRC shall report to the Board a summary of the proceedings after each NRC meeting. The NRC shall make recommendations to the Board as appropriate on any area within its responsibility or as delegated by the Board, where action or improvement is needed.

5. DUTIES AND RESPONSIBILITIES

The main function of the NRC is to assist the Board in fulfilling its responsibility in nominating and recommending new nominees whom meet the nominating criteria to the Board for appointment or reappointment and matters related to the remuneration packages. The duties and responsibilities of the NRC are as follows:

- 5.1 To assess and review the size, composition, mix of skills, qualifications and experience, and diversity (including gender diversity) of the Board and Board Committees, and recommend to the Board for approval;
- 5.2 To identify, consider and recommend to the Board suitable candidates for appointment or re-appointment of Directors. The NRC shall not solely rely on recommendations from existing Board members, management or major shareholders, but will also utilise independent sources to identify suitably qualified candidates. In making the recommendations, the NRC shall:
 - (a) assess the candidates' skills, knowledge, qualifications, expertise, experience, professionalism, commitment, integrity, character and competence;
 - (b) consider diversity including age, gender and cultural background; and
 - (c) in the case of candidates for the position of Independent Directors, evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Directors.
- 5.3 If the selection of candidates was solely based on recommendations made by existing Board, management or major shareholders, the NRC should explain why other sources were not used.
- 5.4 To recommend to the Board on the appointment of members of each Board Committee;
- 5.5 To recommend to the Board the appointment or re-appointment, cessation, suspension, dismissal and/or any staff movement including re-designation, re-deployment, transfer or secondment of senior management of the Group.

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

- 5.6 To assess annually the effectiveness of the Board as a whole, Board Committees, and the contribution of each individual Director and the Chief Executive Officer including his/her character, competence, experience and time commitment. All assessments and evaluation carried out by the NRC in the discharge of its duties shall be disclosed in the Company's Annual Report.
- 5.7 To review the tenure of each Director and ensure that the annual re-election of a Director is subject to the satisfactory evaluation of the Director's performance and contribution to the Board.
- 5.8 To review and assess the independence of Independent Directors on an annual basis.
- 5.9 To recommend to the Board with reasons on re-election of Directors who are to retire by rotation pursuant to the Company's constitution and re-appointment of Directors who retired pursuant to the relevant sections of the Companies Act, 2016.
- 5.10 To recommend Independent Director(s) who has/have served a cumulative term limit of nine (9) years for re-appointment as Independent Director(s) at the Company's Annual General Meeting.
- 5.11 To deliberate and recommend any termination of membership of any Director of the Company (if necessary) due to appropriate reasons in accordance with the relevant laws and regulations.
- 5.12 To ensure all appointment and re-election of Directors are evaluated through a transparent process, including meeting the criteria of the Fit and Proper Policy.
- 5.13 To evaluate and review the performance of the Board and senior management including, taking into consideration the Group's performance in managing material sustainability risks and opportunities.
- 5.14 To review the Board and senior management succession plans and overseeing the development of a diverse pipeline for the Board and management succession, including the future Chairman, Executive Directors and Chief Executive Officer.
- 5.15 To facilitate the Board induction programme for newly appointed Directors.
- 5.16 To identify suitable educational and training programmes for continuous development of Directors to ensure the Directors keep abreast with development in the industry, regulatory changes and board business trends.
- 5.17 To review and recommend to the Board, the development and implementation of the relevant policies and procedures on nomination related matters concerning the Group.
- 5.18 To review annually the term of office, effectiveness and performance of the Audit Committee and each of its members to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

- 5.19 To consider and examine such matters as the NRC considers appropriate.
- 5.20 To carry out such other duties or functions as may be delegated by the Board from time to time or as required by the regulatory authority.
- 5.21 To recommend to the Board on the appointment of experts or consultants, where necessary to fulfill its responsibilities.
- 5.22 To carry out other responsibilities, functions or assignments as may be agreed by the Board from time to time.
- 5.23 To ensure that the Group has in place a remuneration policy and framework consistent with the Group's business strategy.
- 5.24 To establish a formal and transparent remuneration policies and procedures which should be sufficient to attract, retain and motivate Directors and key management team of calibre needed to run the Group successfully. Executive Directors are to abstain from deliberations and voting on the decision in respect of their own remuneration package. Directors who are shareholders and controlling shareholders with a nominee or connected director on the Board should also abstain from voting on the resolution to approve Directors' fees at the general meeting.
- 5.25 To establish a formal and transparent procedure for developing policy on the total individual remuneration package of Executive Directors and key senior management personnel including, where appropriate, bonuses, incentive and share options, if any.
- 5.26 To ensure that the remuneration packages of Non-Executive Directors, including Non-Executive Chairman, should reflect the experience and level of responsibilities undertaken by particular Non-Executive Director concerned, and should be decided by the Board as a whole. The individuals concerned should abstain from discussion of their own remuneration.
- 5.27 To review and recommend to the Board the remuneration of non-executive directors, particularly on whether the remuneration remains appropriate to each director's contribution, by taking into account the level of expertise, commitment and responsibilities undertaken.
- 5.28 To determine the remuneration packages of Directors and senior management, the NRC should take into consideration the following:
- (a) technical competency, skills, expertise and experience;
 - (b) qualification and professionalism;
 - (c) integrity;
 - (d) roles and responsibilities;
 - (e) Company's performance in managing material sustainability risks and opportunities;
- and

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

- (f) aligned with the business and risks strategies, and long-term objectives of the Group.
- 5.29 To review remuneration packages of Directors, senior management and key consultants, having regard to the Group's operating results, individual performance and comparable market statistics.
- 5.30 To review compensation policy of Directors and senior management, and ensure that the compensations offered are in line with market practice.
- 5.31 To ensure fees and benefits payable to Non-Executive Directors, and any compensation for loss of employment of Executive Directors are approved by shareholders of the Company at general meetings.
- 5.32 To oversee any major changes in employee remuneration and benefit structures throughout the Group.
- 5.33 To recommend to the Board any performance related pay schemes for the Group.
- 5.34 To carry out such other functions or assignments as may be delegated by the Board from time to time.

6. AUTHORITY

The NRC is authorised and at the cost of the Company to:

- (i) investigate any activities within its terms of reference or as directed by the Board; and
- (i) determine and obtain the resources required and/or independent professional advice to perform its duties;
- (iii) have full and unrestricted access to all information and documents pertaining to the Group;
- (iv) review the adequacy of the structure and terms of reference of the NRC.

7. REVISION OF THE TERMS OF REFERENCE

- 7.1 Any revision or amendment to the terms of reference, as proposed by the NRC or any third party, shall be presented to the Board for approval and adoption.
- 7.2 These terms of reference will be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the NRC's responsibilities. The Terms of Reference may be revised or amended from time to time as and when required to meet good corporate governance practices. Any amendments to the terms of reference to be approved by the Board.
- 7.3 The Terms of Reference shall be made available to public on the Company's website.

TERMS OF REFERENCE OF THE RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

The risk management and sustainability committee ("**RMSC**") of Eco-Shop Marketing Berhad ("**Company**") is to assist the Board of Directors of the Company ("**Board**") in its responsibilities to identify, assess and monitor key business risks to safeguard shareholders' investments and assets of the Company and its subsidiaries ("**Group**") as well as to assist the Board in promoting a sustainable strategy and initiatives of the Group in relation to sustainability matters.

The RMSC shall also ensure the sustainability strategies, initiatives, targets and performance against these targets are communicated to the Group's internal and external stakeholders and assist the Board to stay abreast with sustainability-related issues relevant to the Group's business, including climate-related risks and opportunities.

1. COMPOSITION

- 1.1 The Board must appoint the RMSC members from among its Directors which shall consist of not less than three (3) members, majority of whom shall be Independent Non-Executive Directors.
- 1.2 The Board shall through the Nominating and Remuneration Committees review the terms of office and performance of the RMSC members annually to determine whether they have carried out their duties in accordance with their terms of reference.
- 1.3 The RMSC members shall have a mixture of expertise and experience, including sufficient understanding of the industries in which the Group operates in order to challenge and facilitate robust discussions on the management of the Group's key risk and sustainability areas with the ability to anticipate, assess, drive potential future sustainability opportunities and mitigate potential future risks to the Group.
- 1.4 The RMSC members must elect a Chairman among themselves who is an Independent Non-Executive Director.
- 1.5 The Chairman of the Board must not be a member of the RMSC.
- 1.6 The Company must ensure that no alternate Director, Chief Executive Officer or Managing Director is appointed as a member of the RMSC.
- 1.7 Any vacancy in the RMSC (including its chairman) resulting in the non-compliance of clause 1.1 above, shall be filled within three (3) months upon recommendation of the Nomination and Remuneration Committee.

2. CHAIRMAN

- 2.1 The Chairman is responsible for ensuring the overall effectiveness and independence of the RMSC.
- 2.2 He/she shall engage on a continuous basis with the senior management such as the Chief Executive Officer, Chief Financial Officer, Head of relevant divisions (of the internal audit function within the Group) and external auditors in order to be kept informed of matters affecting the Group.
- 2.3 The Chairman (or in his absence, members of the RMSC) shall attend the annual general meeting of the Company and be available to answer questions relating to the RMSC's activities and on matters that are within the scope of the RMSC's responsibilities.

TERMS OF REFERENCE OF THE RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

3. SECRETARY

- 3.1 The Company Secretary or such substitute as appointed by the Directors from time to time shall be the secretary of the RMSC.
- 3.2 The secretary, in consultation with the Chairman of the RMSC, shall draw up the agenda of the RMSC meeting. The agenda, together with the relevant support papers, shall be circulated at least five (5) business days or shorter notice where it is unavoidable, prior each meeting to the members of the RMSC.
- 3.3 The secretary shall ensure proceedings of the RMSC meetings are recorded and the minutes circulated in a timely manner and reviewed by the RMSC before disseminating them to the Board.

4. MEETING PROCEDURES

- 4.1 The RMSC shall meet regularly, with due notice of issues to be discussed. Additional meetings may be convened when necessary.
- 4.2 If any member of the RMSC is unable to be physically present, he/she may choose to participate by means of a conference call, video, electronic or such communication facilities which would permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and the person shall be deemed to be present in person and shall be entitled to vote or be counted in a quorum accordingly.
- 4.3 The quorum for the RMSC meeting shall be majority of the members who are Independent Directors. In the absence of the Chairman, the members present shall elect a chairman for the meeting from among the members present.
- 4.4 Members of the RMSC are to be present at all RMSC meetings. If necessary or desirable, any other Director, members of management, the head of internal audit and representatives of the external auditors and/or internal auditors be invited to be present at the RMSC meetings.
- 4.5 A matter put to vote at the RMSC meetings shall be decided by a simple majority of the votes. In the event of an equality of votes, the Chairman shall have a casting vote.
- 4.6 A member of the RMSC who has an interest or is involved directly or indirectly in any matter under consideration which may give rise to an actual or perceived conflict of interest situation, shall abstain from deliberating and voting.

5. MINUTES

- 5.1 The Company shall cause minutes of all proceedings of the RMSC meeting to be entered in books for that purpose. Minutes of each meeting shall be signed by the Chairman of the meeting at which proceedings were held or by the Chairman of the next succeeding meeting.
- 5.2 Minutes shall be kept by the Company at the Registered Office and shall be open for inspection by any RMSC member or Board member.
- 5.3 The minutes of each RMSC meeting shall be distributed to the Board members for attention.

TERMS OF REFERENCE OF THE RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

6. CIRCULAR RESOLUTION

- 6.1 A resolution in writing signed by a majority of the RMSC members for the time being shall be as valid and effectual as if it had been passed at a meeting of the RMSC duly called and constituted.
- 6.2 The resolution may consist of several documents in like form, each signed by one (1) or more RMSC members. Such document may be accepted as sufficiently signed by a RMSC member if it is transmitted to the Company by facsimile or other electrical or digital written message, which include a signature of the said RMSC member.

7. REPORTING

- 7.1 The RMSC, through its Chairman, shall report a summary of significant matters to the Board at the next Board meeting after each RMSC meeting. When presenting any recommendations to the Board for approval, the RMSC will provide such background and supporting information as may be necessary for the Board to make an informed decision.

8. AUTHORITY

- 8.1 The RMSC shall:
 - (a) have the authority to investigate any matter within its terms of reference;
 - (b) have the resources which are required to perform its duties;
 - (c) have full and unrestricted access to all information and documents within the Group which are required to perform its duties as well as to the internal and external auditors and management of the Group;
 - (d) obtain external independent professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary;
 - (e) report to Bursa Malaysia Securities Berhad ("Bursa Securities") if the RMSC is of the view that the matter they reported to the Board has not been satisfactorily resolved and which would have resulted in a breach of the Main Market Listing Requirements of Bursa Securities ("Listing Requirements").

9. FUNCTIONS

The duties and responsibilities of the RMSC are as follows:

Risk Management

- 9.1 Ensure that an appropriate risk reporting structure is established to facilitate reporting of risks to management and the Board.
- 9.2 Oversee the Group's overall risk management and internal control framework and policies and provide an objective view on its effectiveness.
- 9.3 Review the risk management and internal control framework, policies and processes which include steps on identifying, managing, monitoring, treating and mitigating significant financial and non-financial risks of the Group, and recommend for approval by the Board.

TERMS OF REFERENCE OF THE RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

- 9.4 Review and assess the risk appetite and risk tolerance for the Group.
- 9.5 Review the regulatory and clinical compliance reports and any other reports within the purview of the RMSC.
- 9.6 Review the significant risks identified and assess the mitigating actions put in place to manage these risks.
- 9.7 Ensure that the key risks are effectively managed in accordance with the Group's risk management policies and strategies.
- 9.8 Review the adequacy of resources in managing the risk management framework.
- 9.9 Review and deliberate reports on non-compliance findings by regulatory agencies.
- 9.10 Review the Statement on Risk Management and Internal Control for inclusion in the Company's annual report, and recommend to the Board for approval.
- 9.11 Carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

Sustainability

- 9.12 Review and assess the Group's sustainability strategies, policies and standards in relation to environment, social and governance aspects including matters such as safety, health, employment, human rights, community affairs and other pertinent sustainability issues of the Group (collectively referred to as "**Sustainability Matters**") guided by the applicable laws and regulations.
- 9.13 Provide oversight and approve strategic initiatives in relation to the Sustainability Matters and report to the Board regularly;
- 9.14 Review the implementation of the Group's Sustainability Matters in respect of compliance with the law and regulatory requirements.
- 9.15 Review and recommend the Group's Sustainability Statement and Reporting before its inclusion in the annual report.
- 9.16 Review matters relating to sustainability arising from independent audits and assurance reports as well as other relevant matters pertaining to the industry.

Others

- 9.17 Obtain regular updates from the management regarding compliance matters;
- 9.18 Review findings, queries or investigation by the regulatory agencies (if any);
- 9.19 Review the adequacy and appropriateness of Anti-Bribery and Corruption Policy, and Whistleblowing Policy, when necessary; and
- 9.20 Carry out any other functions that may be mutually agreed upon by the RMSC and the Board.

TERMS OF REFERENCE OF THE RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

10. REVIEW OF THE WRITTEN TERM OF REFERENCE

- 10.1 These terms of reference will be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the RMSC's responsibilities. The terms of reference may be revised or amended from time to time as and when required to meet good corporate governance practices. Any amendments to the terms of reference to be approved by the Board. Any amendments to these terms of reference to be approved by the Board.
- 10.2 The written terms of reference will be made available to public on the Company's website.

1 INTRODUCTION

- 1.1 The Board of Directors of Eco-Shop Marketing Berhad ("**Company**") ("**Board**") commits itself to instil good corporate governance practices in the Company and its subsidiaries ("**Group**") in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") and the principles set out in the Malaysian Code on Corporate Governance 2021 issued by the Securities Commission Malaysia ("**MCCG**") as the Board believes that corporate governance is vitally important to the success of the Group's business.
- 1.2 The Board shall be the focal point of the Group's corporate governance practices and is ultimately responsible for:
- a. setting the Group's strategic aims to ensure that necessary resources are in place for the Group to meet its objectives and review its management's performance and affairs of the Group;
 - b. promoting the Group's values and standards; and
 - c. ensuring that the Group's obligations to its shareholders and other stakeholders are understood and met.

2 PURPOSE

- 2.1 This Board Charter sets out the Board's strategic intent and outlines the roles, responsibilities and powers that the Board specifically reserves for itself, and those which it delegates to the management and sets the tone of the various Board committees ("**Board Committees**").
- 2.2 This Board Charter is to promote high standards of corporate governance and is designed to provide guidance and clarity for the Directors and management with regard to the role of the Board and the Board Committees, the requirements of the Directors in carrying out their role and in discharging their duties towards the Company as well as the Board's operating practices.
- 2.3 This Board Charter serves as a reference point for Board activities and should not be construed as a blueprint for Board operations.
- 2.4 This Board Charter does not overrule or pre-empt the statutory requirements of Directors as enshrined in the Companies Act 2016 ("**Act**"), the Income Tax Act 1967 and other relevant statutes, including the conduct of the Board as stipulated in the constitution of the Company ("**Constitution**"). To the extent of any conflict between the

terms of this Board Charter and the Constitution, the Constitution prevails.

- 2.5 This Board Charter is subject to the provision of the Act, Constitution, Listing Requirements, the practices and guidance of the MCCG and any other applicable laws or regulatory requirements.

3 BOARD STRUCTURE AND COMPOSITION

3.1 Board Composition

- 3.1.1 The Board must comprise a balance of Executive Directors and Non-Executive Directors (including Independent Directors) such that no individual or a group of individuals can dominate the Board's decision making.

- 3.1.2 The Board must consist of qualified individuals from different background with diverse set of skills, knowledge, expertise, experience, gender and perspective to safeguard that there is sufficient diversity and independent elements that fit the objectives and strategic goals of the Company.

- 3.1.3 The Constitution states that the number of Directors shall not be less than two (2) (excluding alternate Director) nor more than nine (9). The Board shall examine and determine its size periodically in relation to the effective running of the Group's business. At any one time, at least half (1/2) of the Board members must be Independent Directors. If the number of Directors of the Group is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) must be used.

However, if the Company has become a Large Company as defined by the MCCG, the Board of Directors should be made up of a majority of Independent Directors at all times.

- 3.1.4 In the event of any vacancy in the Board resulting in non-compliance with 3.1.3 above, the Group must fill the vacancy within three (3) months from the date of such non-compliance.

- 3.1.5 The Directors must not hold more than five (5) directorships in listed companies on Bursa Securities or such other limit as prescribed by the Listing Requirements. Before accepting any new directorship, the Directors shall notify the Chairman of the Board, the notification of which shall include an indication of time that will be spent on the new appointment.

- 3.1.6 The Board shall comprise at least 30% women Directors to bring diversity of perspectives and encourage woman participation during Board deliberation and decision-making, in line with the MCCG.

- 3.1.7 The Board through the Nomination and Remuneration Committee (“**NRC**”) will continuously review the Board composition after taking into consideration the appropriate competence, experience, character, integrity and time to effectively discharge his/her role as a Director.

3.2 Appointment of Director

- 3.2.1 The appointment of a new Director is a matter for consideration and decision by the Board, upon recommendation from the NRC.

- 3.2.2 In making its recommendation, the NRC shall consider the character, experience, competence, integrity and time of the candidates, as well as the following factors:

- skills, knowledge and expertise;
- age and gender;
- professionalism;
- culture background and diversity;
- commitment;
- contribution and performance; and
- in the case of candidates for the position of Independent Directors, the Board shall also evaluate the candidates’ ability to discharge such responsibilities/functions as are expected from Independent Directors.

- 3.2.3 In identifying candidates for appointment of Directors, the Board should not solely rely on recommendations from existing Directors, management or major shareholders. The Board should utilise independent sources to identify suitably qualified candidates. If the selection of candidates was based on recommendations made by existing Directors, management or major shareholders, the NRC must explain why such source(s) suffice and other sources were not used.

- 3.2.4 Upon the appointment of a Director (including Independent Directors), the said Director shall provide to Bursa Securities an undertaking prescribed by Bursa Securities immediately and in any event not later than fourteen (14) days from his/her appointment.

- 3.2.5 New Directors are expected to have such expertise as to qualify them to make a positive contribution to the Board performance of its duties. New Directors are required to commit sufficient time to attend the Company’s meetings or matters before accepting his/her appointment to the Board.

- 3.2.6 A Director shall at all times avoid conflict of interest, and shall as soon as practicable after the relevant facts have come to his/her knowledge, declare the nature of his/her interest at a Board meeting. 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 Act.

- 3.2.7 No person shall be appointed, re-appointed, elected or re-elected as a Director on the Board or continue to serve as a Director if the person is or becomes an active politician. A person is considered an “active politician” if he is a member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.

3.3 Tenure of Directors

- 3.3.1 The NRC should ensure that the composition of the Board is refreshed periodically. The tenure of each Director should be reviewed by the NRC and annual re-election of a Director should be contingent on satisfactory evaluation of the Director’s performance and contribution to the Board.

- 3.3.2 An election of Directors shall take place each year at the annual general meeting of the Company (“**AGM**”). [Pursuant to the Constitution], all Directors shall retire from office at least once every three (3) years, but shall be eligible for re-election. Any new Director appointed during the year shall hold office until the next AGM and shall be eligible for re-election.

- 3.3.3 The Directors to retire in every year shall be the Directors who have been longest in office since the Directors’ last election, but as between persons who became Directors on the same day, the Directors to retire shall be determined by lot, unless they otherwise agreed among themselves.

- 3.3.4 The tenure of an Independent Director shall not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director.

If the Board intends to retain an Independent Director beyond nine (9) years, it shall justify and seek annual shareholders’ approval through a two-tier voting process in accordance with the practices of MCCG.

- 3.3.5 A candidate shall not be considered fit for directorship if he or she:
- (a) is an undischarged bankrupt;
 - (b) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation;
 - (c) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence involving bribery, fraud or dishonesty or where the conviction involved a finding that he/she acted fraudulently or dishonestly; or

- (d) has been convicted by a court of law of an offence under the securities laws of Malaysia or the Act,

within a period of five (5) years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.

3.3.6 The office of a Director shall become vacant if the director:

- (a) falls within the circumstances set out in Section 208 of the Act, where the Director:
 - (i) resigns from office as Director by giving a written notice to the Company at its registered office;
 - (ii) retires in accordance with the Act or the Constitution but is not re-elected;
 - (iii) is removed from office in accordance with the Act or the Constitution;
 - (iv) becomes disqualified from being a Director under Sections 198 or 199 of the Act;
 - (v) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
 - (vi) dies; or
 - (vii) otherwise vacates office in accordance with the Constitution;
- (b) is absent from more than 50% of the total Board meetings held during a financial year, unless an exemption or waiver is obtained from Bursa Securities; or
- (c) is convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences listed in 2.3.5 above.

3.3.7 For the purposes of 2.3.6(b) above, if a Director is appointed after the commencement of a financial year, then only the Board meetings held after his/her appointment will be taken into account.

3.3.8 Where a Director is removed from office, the Company must forward to Bursa Securities a copy of any written representations made by the Director in question at the same time as copies of such representations are sent to members of the Company under Section 207(3)(b) of the

Act, unless copies of such representations need not be sent out by reason of the circumstances specified in Section 207(5) of the Act.

3.4 Board Independence

2.4.1 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 the Company.

Without limiting the generality of the foregoing, an Independent Director is one who:

- (a) is not an Executive Director of the Company or any related corporation of the Company (each corporation is referred to as “**said Corporation**”);
- (b) is not, and has not been within the last three (3) years, an officer of the said Corporation. For this purpose, “officer” has the meaning given in Section 2 of the Act but excludes a Director who has served as an Independent Director in any one or more of the said Corporations for a period of less than twelve (12) years;
- (c) is not a major shareholder of 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;
- (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 (except as an Independent Director) or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities; or
- (h) has not served as an Independent Director in any one or more of the said Corporations for a cumulative period of more than

twelve (12) years from the date of his first appointment as an Independent Director.

- 3.4.2 The roles of the Independent Directors are essential in bringing independent judgement and ensuring all issues proposed by the Executive Directors are fully discussed and examined to take into account the long-term interests, not only of the shareholders, but also other stakeholders such as the employees and business associates.
- 3.4.3 The Board should undertake an assessment of the Independent Directors annually to assess their ability to bring unbiased and objective judgement to the Board's deliberations.

3.5 Fit and Proper Policy

- 3.5.1 The Board has established a Fit and Proper Policy for the appointment, re-appointment and/or re-election of Directors of the Group, to ensure that the Directors have the necessary quality, competencies and integrity to discharge their roles effectively.
- 3.5.2 In conducting the Fit and Proper assessment, the Board through its NRC shall consider the following criteria as outlined in the Fit and Proper Policy:
- Character and integrity;
 - Experience and competence;
 - Time and commitment; and
 - Independence (applicable to Independent Directors)
- 3.5.3 Any candidate who has been identified for appointment as a Director or for re-appointment and/or re-election as a Director within the Company shall be required to make and submit a Fit and Proper declaration form as prescribed by the NRC.
- 2.5.4 The Fit and Proper Policy is made available on the Company's website at [REDACTED].

4 ROLES AND RESPONSIBILITIES

4.1 The Board

- 4.1.1 The Board has the overall responsibility for the long-term success of the Group and delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and leadership functions, the Board is collectively responsible for meeting the objectives and goals of the Group and should:
- (a) together with management, promote good and effective corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;

- (b) ensure that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- (c) review, challenge and decide on management's proposals for the Group, and monitor its implementation by management;
- (d) supervise and assess management performance, corporate behaviour and the conduct of the Group's business to ensure it is properly managed;
- (e) ensure there is a sound framework for internal controls and risk management;
- (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) understand and identify the principal risks of the Company's business and ensure implementation of appropriate internal controls and mitigation measures to achieve a proper balance between recognised risks and potential returns to the shareholders;
- (h) ensure that management are of high calibre and have the necessary skills and experience and there are measures in place to provide for the orderly succession of the Board and management;
- (i) develop and implement an investor relations programme or stakeholders' communication policy for the Group to enable effective communication with stakeholders;
- (j) ensure the integrity of the Company's financial and non-financial reporting;
- (k) before approving financial statements, review and understand the same and form a view on the information presented; and
- (l) review and ensure that information stipulated in the Company's annual reports and quarterly reports are consistent with the Director's own knowledge of the Company's affairs, before approving the same;

4.1.2 The Board reserves a formal schedule of matters for the Board's deliberation and approval. This includes, among others, the following:

Strategy and Business Planning

1. Business plan and changes thereon
2. Sustainability governance
3. Creation of new business or activities or termination of existing business or activities which significantly change the nature of the Group and any of its businesses
4. Corporate identity and brand architecture
5. Group policies and any revisions or amendments thereto

Finance and Controls

1. Approval of quarterly, annually unaudited and audited financial statements or any audited financial statements for special purposes
2. Declaration of dividend or dividend policy
3. Approval of any significant change in accounting policies and practices of the Group
4. Reports and findings of the external auditors
5. Capitalisation of reserves
6. Write-off, disposal and acquisition of assets/investments/business
7. Limit of authority and any revisions or amendments thereto
8. Opening and closing of bank accounts
9. Writing-off of inter-company transactions or balances
10. Change in mode of operation and cheque signatories of bank accounts
11. Change of issued share capital
12. Provision/acceptance of inter-company advances and loans
13. Provision of corporate/financial guarantee and letter of comfort/support
14. Acceptance of working capital credit facilities
15. Creation of financial instruments and derivatives
16. Entering of related party transaction
17. Review the effectiveness of the Group's system of internal controls. This function is delegated to the Audit and Risk

Management Committee which in turn report to the Board on its findings

People

1. Changes to the Group's human resources policy and terms and conditions of employment and benefits
2. Changes to the organisational or management structure that significantly alters the governance or operational direction of the Group
3. Annual salary increment and performance bonus
4. Remuneration, benefits, entitlements and terms of conditions of employment of Executive Directors, key positions of the Company and its major subsidiaries
5. Payment of long term employment incentives
6. Appointment or termination or resignation of top key positions of the Group as defined in the Group's Employee Handbook/ Manual/ any other human resources policy relating thereto and changes thereafter
7. Succession plan for top key personnel
8. Performance evaluation of Executive Directors

Compliance and Support

1. Legal action against any person which might have a significant adverse impact on the Group's business or long term plan/strategy
2. Settlement of litigation
3. Appointment of power of attorney
4. Appointment of Board and Board Committee members
5. Approval of the Board charter and terms of reference of the Board Committees and changes thereto
6. Convening of AGM and general meetings
7. Key statements for annual reports, quarterly reports, prospectuses and circulars to shareholders
8. Changes to the Constitution
9. Appointment and termination of share registrars and Company Secretary/Secretarial Agents
10. Change of registered office

11. Appointment of proxy and corporate representative of the Company
12. Change of Company's name
13. Winding up of the Group's business

Assurance

1. Group internal audit plan
2. Group internal audit report

4.1.3 The Board is supported by the Company Secretary to provide sound governance advice, ensure adherence to company and securities regulations and listing requirements and advocate adoption of corporate governance best practices.

4.2 Chairman

4.2.1 The Chairman is elected by the Board members to provide leadership for the Board so that the Board can perform its responsibilities effectively. The Chairman will act independently in the best interest of the Group.

4.2.2 The Chairman is responsible for ensuring Board effectiveness and promoting the highest standards of integrity, probity and corporate governance throughout the Group.

4.2.3 The responsibilities of the Chairman are, among others, as follows:

- (a) setting the Board agenda for each Board meeting and ensuring that Board members receive complete and accurate information in a timely manner to facilitate decision making;
- (b) ensuring Board Committees' meetings are not combined with the main Board meeting;
- (c) leading the Board in establishing and monitoring good corporate governance practices in the Group;
- (d) leading Board meetings and discussions and acting as a facilitator at Board and ensuring appropriate level of interaction among Board members;
- (e) encouraging active participation from Board members at Board meetings and allowing dissenting views to be freely expressed;
- (f) promoting constructive and respectful relations between Directors and management;

- (g) ensuring compliance with all relevant regulations and legislation; and
- (h) representing the Board to shareholders and ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

4.2.4 The Chairman should not be a member of any Board Committees.

4.2.5 The positions of Chairman and Group Managing Director (“GMD”)/Group Chief Executive Officer (“GCEO”) shall be held by different individuals with distinct and separate roles to ensure there is a balance of power and authority, such that no one individual has unfettered powers of decision making.

4.3 Senior Independent Director (“SID”)

4.3.1 The SID serves as a sounding board to the Chairman.

4.3.2 The SID serves as an intermediary for other Directors when necessary.

4.3.3 The SID acts as point of contact for shareholders and other stakeholders particularly on concerns which cannot be resolved through the normal channels of the Chairman and/or GMD/GCEO.

4.4. Executive and Non-Executive Directors

4.4.1 Executive Directors are the employees of the Company who are involved in the day-to-day management of the Group.

4.4.2 Executive Directors assist the Board in decision-making process through their technical expertise and knowledge of the business and its industry.

4.4.3 Executive Directors, with the help of management, assist the Board in facilitating the orientation of new Directors and Director training and development.

4.4.4 Non-Executive Directors is a member of the Board who is not an employee of the Company. Non-Executive Directors can be classified as:

- those who have no direct or indirect pecuniary interest in the Company other than their Directors’ emoluments and their permitted shareholdings in the Company;
- those who are not employees of the Company or affiliated with it in any other way and are not involved in the day-to-day running

of business but may have a pecuniary interest in the Company, whether direct or indirect; or

- those who are not employees of the Company but are standing as nominees for substantial shareholders.

4.4.5 Non-Executive Directors need to be sound in judgement and to have an inquiring mind.

4.4.6 Non-Executive Directors should question intelligently, debate constructively, challenge rigorously and decide dispassionately.

4.4.7 Non-Executive Directors may act as a bridge between management, shareholders and other stakeholders. They should provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.

4.4.8 The responsibilities of Non-Executive Directors are, among others, as follows:

- (a) advising and directing management in the development and evaluation of strategy;
- (b) scrutinising the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance;
- (c) satisfying themselves that the financial information presented is accurate; and
- (d) reviewing the risk management and internal control systems to ensure that they are robust and defensible.

4.3 GMD/GCEO

4.3.1 GMD/GCEO is the highest-ranking executive in the Company, whose primary responsibilities include making major corporate decisions, managing the overall operations and resources of the Group, acting as the main point of communication between the Board and corporate operations and being the public face of the Group.

4.3.2 The GMD/GCEO is appointed by the Board upon recommendation of the NRC.

4.3.3 Generally, the GMD/GCEO is accountable to the Board for, among others, the following:

- (a) managing the day-to-day business operations of the Group;

- (b) ensuring that the applicable rules and regulations for the conduct of affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation;
- (c) representing the Group as the key spokesperson with all stakeholders including investors, regulators and business partners;
- (d) leading the development of the Group's operations and businesses and recommending short and long-term strategies to the Board;
- (e) managing resources within budgets approved by the Board;
- (f) assessing all business opportunities which are potentially beneficial to the Group;
- (g) maintaining awareness of the competitive market landscape, expansion opportunities and industry developments;
- (h) ensuring that the Group maintains high social responsibility wherever it does business;
- (i) creating and implementing the Company's vision and mission; and
- (j) serving as a focal point for stakeholders' communication and engagement on corporate governance issues.

4.5 Management

The responsibilities of the management, in general, are:

- 4.5.1 Developing and proposing for the Board's approval, strategic plan and annual budget for the Company to ensure achievement of the objectives set by the Board;
- 4.5.2 Communicating to the staff and implementing the strategic plan approved by the Board and any decision of the Board to ensure that the objectives of the Company that were approved by the Board are met;
- 4.5.3 Running and managing the operations of the Company in a proper manner and in accordance with the Board approved strategic plan within the authority limit set by the Board;

- 4.5.4 Setting up of an appropriate and effective internal control measures and risk management framework. Identifying, assessing, managing and monitoring key risks;
- 4.5.5 Assisting the Board in the establishment of the Company's or Group's policies by developing such policies for the Board's review and approval for Company's and Group's adoption, and implementing the approved policies;
- 4.5.6 Developing effective management information and internal control systems of the Company to ensure that integrity and adequacy of the systems are intact;
- 4.5.7 Reporting to the Board periodically on the performance of the Group against the approved plan and budget as well as other matters that is under the Board's purview in order to enable the Board to discharge its responsibilities effectively; and
- 4.5.8 Reporting to the Board on matters that required their decision/approval or of significance to the Company and Group.

5 BOARD COMMITTEES

The Board has set up the following Board Committees with different functions delegated to assist the Board in carrying out its duties and responsibilities:

- (a) Audit Committee ("**AC**");
- (b) Risk Management and Sustainability Committee ("**RMSC**"); and
- (c) NRC.

Apart from the above Board Committees, the Board may from time to time establish other Board Committees to assist the Board in discharging its responsibilities more effectively.

These Board Committees do not make decision on behalf of the Board. Each Board Committee will have the authority to examine particular issues within its terms of reference and make the necessary recommendations to the Board for their consideration and decision making.

The duties and powers delegated to these Board Committees are set out in the terms of reference of each Board Committee as approved by the Board. The terms of reference of each Board Committee is available on the Company's website at

[\[link\]](#).

6 BOARD MEETINGS

6.1 Frequency

The Board shall conduct at least four (4) scheduled meetings in a financial year, with additional meetings convened on an ad hoc basis as and when the Board's approval and guidance are required.

6.2 Notice and Agenda

The notice of Board meetings, detailed agenda and the supporting meeting papers should be provided to all the Directors at least five (5) business days prior to each Board meeting to allow the Directors to have sufficient time to review the same. Directors are expected to review the same prior to the Board meeting in order to facilitate meaningful deliberation at each meeting.

The agenda shall include, among others, matters specifically reserved for the Board's decision. Also, it shall address high-priority strategic and operational issues, where required, and the Chairman shall ensure that there is sufficient time for discussion.

Upon conclusion of the Board meeting, the minutes are to be circulated in a timely manner.

6.3 Quorum

The Directors may meet together for the despatch of business at such time and place, adjourn and otherwise regulate their meetings and proceedings as they think fit. The quorum necessary for the transaction of the business of Directors shall be two (2).

6.4 Chairman of meetings

In the absence of the Chairman, the members present shall elect a Chairman from among themselves to chair the meeting. The Chairman encourages constructive and healthy debate and allows the Directors to freely express their views or share information with their peers in the course of deliberation.

6.5 Attendance

The Board must disclose the number of Board meetings held in a year and details of attendance of each individual Director in respect of the meetings held.

All Directors must meet the minimum 50% attendance requirement imposed by the Listing Requirements. Management who are not Directors may be invited to attend and speak at Board meetings on certain matters relating to their areas of responsibility. The Board may also invite external parties such as advisers, auditors, solicitors and consultants to attend as and when the need arises.

6.6 Meeting Mode

The Directors may participate at a Board meeting or any Board Committee meeting by conference call, video, electronic or such other communication facilities which would permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. The physical presence of Director(s) is not compulsory and participation at such Board meeting in the aforesaid manner shall be deemed to constitute presence in person at such meeting. The Directors participating at any such Board meeting shall be counted in the quorum for such meeting. All resolutions agreed upon by the Directors at 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 Board meeting. The participation in a meeting by means of a conference call or similar electronic telecommunication device shall be treated with confidentiality, and it shall prevent any leakage of information/materials to any third party.

6.7 Directors' Written Resolution

In the event matters requiring the Board's decision arise between Board meetings, such matters shall be resolved through written resolutions which shall be supported by relevant papers setting out details of the subject matter. Such written resolutions signed or approved by a majority of the Directors entitled to vote and sign on the resolution, if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the Directors shall be as valid and effectual as if it were a resolution duly passed at a Board meeting. Such resolutions may consist of several documents in like form, each signed by one (1) or more Board members.

6.8 Voting

All resolutions of the Board shall be adopted by a simple majority vote, each member having one (1) vote. In the case of equality of votes, where two (2) Directors form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue, shall not have a casting vote. Otherwise in the case of an equality of votes the Chairman shall have a second or casting vote.

Directors are required to inform the Board of conflicts or potential conflict of interest that they may have in relation to a particular subject matter or business transaction. These Directors shall abstain from deliberation and voting on those matters.

6.9 Minutes

Minutes of meetings shall be circulated to all members of the Board within thirty (30) business days after the meetings. Every Board member should ensure that the minutes accurately record the proceedings of the meetings, pertinent issues, inquiries or responses, members' suggestions and decisions made, including

whether or not any Director has abstained from voting or deliberating on a particular matter, as well as the rationale behind those decisions.

7 REMUNERATION OF DIRECTOR

The performance of Directors is measured by the respective Directors' contribution and commitment to both the Board and the Company.

The fees and any benefits payable to the Directors shall be subject to annual shareholders' approval at the AGM.

The directors shall be paid all traveling, hotel and other reasonable expenses, properly and reasonably incurred by them in the execution of their duties including any such expenses incurred in connection with attending and returning from meetings of Directors or Board Committees or any other meetings of the Company in connection with the business of the Company in the course of the performance of their duties as Directors.

The Company shall provide a fair, reasonable and competitive remuneration for its Executive Directors to ensure that the Company attracts and retains high calibre Executive Directors who have the skills, experience and knowledge to increase the entity value to the benefit of all shareholders.

The Board has established a formal and transparent process for approving the remuneration of Directors, whereby the NRC is responsible for reviewing the remuneration policy and making recommendations on the same to the Board for approval, with the Directors concerned abstaining from participating in the discussion of his/her individual remuneration. In its review, the NRC considers various factors including fiduciary duties, time commitments expected of them and the Company's performance.

8 INDUCTION AND TRAINING FOR BOARD MEMBERS

All newly appointed Directors are required to complete the Mandatory Accreditation Programme in relation to a Director's roles, duties and liabilities as required under the Listing Requirements.

All directors are also required to complete the Mandatory Accreditation Programme in relation to sustainability and the related roles of a Director.

All Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes to enable Directors to effectively discharge their duties and sustain active participation in Board deliberations.

The Board, with the assistance of the NRC and Company Secretary, shall assess the training needs of the Directors from time to time, to ensure that Directors have access to training courses or seminars at periodic intervals to keep themselves

updated on developments pertaining to the oversight function of directors as well as continuing education programme in order to update their knowledge and skills to sustain their active participation in Board deliberations and effectively discharge their duties.

9 GENERAL MEETINGS

All Directors must attend general meetings to allow the Company's shareholders to raise questions and provide meaningful response to questions raised by them.

9.1 AGM

9.1.1 The AGM is a yearly gathering between the shareholders of the Company and its Board. The Directors must ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.

9.1.2 The Company shall in each year hold an AGM within six (6) months of the Company's financial year end and not more than fifteen (15) months after the last preceding AGM.

9.1.3 The notice convening an AGM shall specify the place, date and time of the meeting, and shall be given to all shareholders at least twenty-one (21) days before the meeting. Any notice of meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least twenty-one (21) days' notice of such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper.

Pursuant to the MCCG, notice for an AGM should be given to shareholders at least twenty-eight (28) days prior to the meeting.

9.1.4 No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. For all purposes, two (2) members present in person or by proxy, or, in the case of corporations which are members, present by their representatives appointed pursuant to the provision of the Constitution and entitled to vote shall be a quorum.

9.2 General meeting

9.2.1 The Company may also convene a general meeting other than the AGM to transact other businesses.

9.2.2 The Directors may whenever they think fit, convene a general meeting. General meetings shall also be convened on any requisition made in accordance with the provisions of the Act, or if the Company makes default in convening a general meeting in compliance with a requisition

received pursuant to Section 311 of the Act, a general meeting may be convened by such requisition in the manner provided in Section 313 of the Act. Any general meeting convened by requisition shall be convened in the same manner, as nearly as possible, as that in which general meetings are to be convened by the Directors.

- 9.2.3 Subject always to the provisions of Section 323 of the Act, no business shall be transacted at a general meeting except business of which notice has been given in the notice convening the general meeting.
- 9.2.4 The notices convening a general meeting shall specify the place, date and time of the meeting, and shall be given to all shareholders at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed of such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper.
- 9.2.5 No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. For all purposes, two (2) members present in person or by proxy, or, in the case of corporations which are members, present by their representatives appointed pursuant to the provision of the Constitution and entitled to vote shall be a quorum.
- 9.2.6 Minutes of the GM should be circulated to shareholders no later than thirty (30) business days after the general meeting.

4 ACCESS TO INFORMATION

All Directors shall have unrestricted access to the management for any information pertaining to the Group, including access to the advice and services of the Company's auditors, consultants and Company Secretary, which is relevant to the furtherance of their duties and responsibilities as Directors of the Company at the expense of the Company.

5 INDEPENDENT PROFESSIONAL ADVICE

In discharging the Directors' duties, each Board member is entitled to obtain independent professional advice at the expense of the Company. This is for advice deemed relevant and necessary in order for the Directors to discharge their duties for the overall benefit of the Company.

In such circumstances, the Director shall first discuss it with the Chairman and provide the request to seek professional independent advice for the Board's consideration and approval. It must be noted that such a restriction is not applicable to the Executive Director who is acting in his/her capacity of the

furtherance of his/her executive responsibilities and within his/her delegate powers.

6 CONFIDENTIALITY AND DISCLOSURE OF INTERESTS

The Directors are required to act in the best interest of the Company. The Directors also have a duty of confidentiality in relation to the Company's confidential information.

All information and documentation received by the Board from the Company shall be treated as confidential, unless otherwise expressly decided by the Board. All Board members are responsible for ensuring that any material received is properly protected and remains confidential. If any information is to be provided to third parties, this shall be decided by the GMD/GCEO.

A Director should disclose to the Board:

- (a) any material personal interest he/she has in a matter which relates to the affairs of the Company; and
- (b) any other interest (direct or indirect) which the Director believes is appropriate to disclose in order to avoid any conflict of interest or the perception of a conflict of interest.

The disclosure should be made as soon as practicable after the Director becomes aware of his/her interest. Details of the disclosure must be recorded in the minutes of the meeting at which the disclosure is made or the meeting held following the disclosure.

7 DEALINGS IN SECURITIES

A Director must not deal in the Company's securities when he is in possession of price sensitive information. All Directors must also comply with the disclosure requirements as prescribed under Chapter 14 of the Listing Requirements when dealing in the Company's securities.

8 WHISTLEBLOWING POLICY

The objective of this policy is to provide an avenue for employees and other stakeholders to report genuine concerns in relation to breach of any legal obligation, miscarriage of justice, danger to health and safety or to the environment and the cover-up of any of these issues in the workplace, without the risk of reprisal, separation, demotion, suspension or loss of benefits because of the report.

To achieve this purpose, the Board has established a Whistleblowing Policy.

The Whistleblowing Policy is made available for reference on the Company's website at [].

9 ANTI-BRIBERY AND CORRUPTION POLICY

The Group is committed to conduct its business in an ethical and honest manner, and to implement and enforce a system that ensure corrupt gratification is prevented. The Group has adopted a zero-tolerance approach against all forms of bribery and corrupt gratification and its associated activities.

The Board, management and employees are committed to act professionally, fairly and with integrity in all of the Group's business, in whichever country it operates.

This Anti-Bribery and Corruption Policy sets out the responsibilities of the Group, and those who work with the Group are to observe and uphold the Group's zero-tolerance position on "Bribery and Corruption".

The Anti-Bribery and Corruption Policy is made available on the Company's website at [].

10 CODE OF CONDUCT AND ETHICS ("CODE")

The Group is committed to ensure its business operations are conducted with integrity, transparency and in a responsible manner.

The objective of this Code is to provide the following:

- (a) professional and ethical guidelines for the Directors and employees of the Group with the aim to establish, maintain and enhance the reputation, image and branding of the Group; and
- (b) display the highest level of professionalism in all aspects of their task and complying with all applicable laws and regulations stipulated under this policy.

This Code applies to all employees of the Group and Directors. The principles and standard of this Code covers all activities, business and functions conducted beyond the normal working hours.

The Code is made available on the Company's website at [].

11 INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION

The Board recognises and values the importance of an effective and clear communication with its shareholders as well as with its potential investors and the public. It is fully committed that the highest standard of transparency and accountability in the disclosure of pertinent information relating to the Group, are

adopted. To achieve this, the Company has implemented, among others, the following:

- (a) timely release of announcements to Bursa Securities, which include quarterly financial results, annual reports, material contracts entered into and any other material information that may affect investors' investment decision;
- (b) conducts regular dialogues with financial analysts as a means of effective communication, which enables the Board and management to convey information relating to the Group's performance, corporate strategy and other matters affecting shareholders' interests;
- (c) press conference which is normally held after the AGM/general meeting to provide the media an opportunity to receive updates from the Board on the proceedings at the meetings and to address any query from the media;
- (d) encourage full participation of shareholders at the AGM to ensure a high level of accountability and discussion of the Company's strategy and goals. The Company shall invite the external auditors to attend the AGM and be available to answer to shareholders' questions about the conduct of the audit and the preparation of the auditors' report; and
- (e) shareholders can gain access to information about the Company including the summary of the Group's investor relation activities and media releases through the Company's website, [].

12 COMPANY SECRETARY

The Company Secretary shall be a person who is qualified pursuant to the Act.

The Board is supported by a suitably qualified and competent Company Secretary who plays an important role to provide sound governance advice, ensure adherence to rules and procedures, and advocate the adoption of corporate governance best practices.

The responsibilities of the Company Secretary are, among others, as follows:

- (a) ensuring that the Board procedures are followed while a meeting is conducted;
- (b) managing all Board and Board Committees meeting logistics, attending and recording minutes of all Board and Board Committees meetings as well as facilitating Board communications;
- (c) advising the Board on its roles and responsibilities;

- (d) facilitate the orientation of new Directors and assist in Director training and development;
- (e) advising the Board on corporate disclosures and compliance with company law and securities regulations and Listing Requirements;
- (f) managing procedures pertaining to the AGM;
- (g) serve as a focal point for stakeholders' communication and engagement on corporate governance issues; and
- (h) monitoring corporate governance developments and assisting the Board in applying good corporate governance practices to meet the Board's needs and stakeholders' expectations.

13 REVIEW OF THE CHARTER

This Board Charter shall be reviewed periodically and updated by the Board, as and when necessary, taking into consideration the needs of the Group as well as any development in the rules and regulations that may have an impact on the discharge of the Board's duties and responsibilities.

This Board Charter has been reviewed and approved by the Board on [date] and is made available on the Company's website [].

1. The Board

- 1.1 The Board of Directors of Eco-Shop Marketing Berhad ("**Company**") ("**Board**") has established a set of formal and transparent fit and proper policy for the appointment, re-appointment and/or re-election of Directors ("**Policy**") of the Company and its subsidiaries ("**Group**").
- 1.2 This Policy will enhance the governance of the Company in relation to the Board's quality and integrity, as well as ensure that each of its Director has the character, experience, integrity, competence, time and commitment to effectively discharge his/her role as a Director, and to guide the Board and the Nomination and Remuneration Committee ("NRC") in the assessment and evaluation of any candidate to be appointed as a new Director and any existing Director who is seeking for re-election/ re-appointment.
- 1.3 The Board shall ensure that the fit and proper criteria on the appointment, re-appointment and re-election of Directors of the Group set out in Paragraph 2 are applied on a continuing basis.
- 1.4 The Board and the NRC shall conduct the fit and proper assessment prior to the appointment of any candidate as a Director or making recommendation for the re-appointment and/or re-election of an existing Director.

2. The Fit and Proper Criteria

The assessment procedures shall be in a form of due diligence taking into account the following fit and proper criteria conducted by the NRC and declaration by each individual candidate or Director that:

A. Character and Integrity

i) Probity

- he/she is compliant with legal obligations, regulatory requirements and professional standards; and
- he/she has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law.

ii) Personal integrity

- he/she has not perpetrated or participated in any business practices which are deceitful, oppressive improper (whether

unlawful or not), or which otherwise reflect discredit on his/her professional conduct;

- his/her service contract (i.e. in the capacity of management or Director) had not been terminated in the past due to concerns on personal integrity; and
- he/she has not abused other positions (i.e. political appointment) to facilitate government relations for the Company in a manner that contravenes the principles of good governance.

iii) Financial integrity

- he/she manages personal debts or financial affairs satisfactorily; and
- he/she demonstrates ability to fulfil personal financial obligations as and when they fall due, either in Malaysia or elsewhere.

iv) Reputation

- he/she is of good repute in the financial and business community;
- he/she has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years, either in Malaysia or elsewhere; and
- he/she has not been substantially involved in the management of a business or company which has failed (including a PN17 Issuer as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**")), where that failure has been occasioned in part by deficiencies in that management.

B. Experience and Competence

i) Qualification, training and skills

- he/she possesses education qualification that is relevant to the skill set that the Director is earmarked to bring to bear onto the boardroom (i.e. a match to the Board skill set matrix);
- he/she has a considerable understanding on the workings of a corporation;
- he/she possesses general management skills as well as understanding of corporate governance and sustainability issues;
- he/she keeps knowledge current based on continuous professional development; and

- he/she possesses management and leadership capabilities and a high level of emotional intelligence.

ii) Relevant experience and expertise

- he/she possesses relevant experience and expertise with due consideration given to past length of service, nature and size of business, responsibilities held, number of subordinates as well as reporting lines and delegated authorities.

iii) Relevant past experience or track record

- he/she had a career of a senior management or high level position in a comparable organisation and was accountable for driving or leading the organisation's governance, business performance or operations; and
- he/she possesses commendable past performance record as gathered from the results of the Board Effectiveness Evaluation or based on the financial and non-financial performance of the corporation where the person identified for appointment as a Director was involved.

C. Time and Commitment

i) Ability to discharge role having regard to other commitments

- he/she is able to devote time as a Board member, having factored other outside obligations including existing board positions held by the Director in other listed issuers (taking into consideration his board attendance records) and non-listed entities (including not-for-profit organisations).

ii) Participation and contribution in the Board or track record (applicable for re-appointment and re-election of existing Directors only)

- he/she demonstrates willingness to participate actively in Board activities;
- he/she demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
- he/she manifests passion in the vocation of a Director;

- he/she exhibits ability to articulate views independently, objectively and constructively; and
- he/she exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

D. Independence (applicable to appointment and re-appointment of Independent Director)

The Director meets the criteria of an Independent Director as specified in Paragraph 1.1 of Practice Note 13 of the Listing Requirements.

3. Assessment and Evaluation

- a) The NC will assess each person for a new appointment or re-appointment and re-election of Directors based on the criteria set under item 2 before recommending to the Board for approval. The Board Evaluation Form is set out in Annexure 1 (The questionnaires are based on the Corporate Governance Guide 4th Edition).
- b) For the appointment of new Director, the person is required to complete the Prospective Directors Information as set out in Annexure 2.
- c) The results of the assessments are part of the Company's internal documents and shall not be disclosed or provided to any other party.

4. REVIEW AND APPROVAL

The NRC will review the Policy and recommend it to the Board for approval as and when necessary. The terms of the Policy shall be updated whenever there are changes to the Malaysian Code on Corporate Governance, Listing Requirements and any other relevant regulatory requirements. Any revisions to this Policy as recommended by the NRC will be submitted to the Board for consideration and approval.

This Fit and Proper Policy was approved and endorsed by the Board and is made available on the Company's website [].

DIRECTORS' EVALUATION FORM**Annexure 1**

The Evaluation Form provides ratings from one (1) to four (4), or 'yes' and 'no' with indicators illustrated below, to be responded in relation to the nature of the questions:

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Yes, always	Yes, most of the time	Yes, but seldom	No
or			
4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Above average	Average	Below average	Poor
or			
Yes <input type="checkbox"/>			No <input type="checkbox"/>
Yes			No

Where a particular criterion is deemed not applicable, it shall be indicated as "Not Applicable" in the comment box.

Name of the Director: _____

Section A: Fit and Proper

1. Has not been questioned, publicly or privately, on integrity, professional conduct or business ethics/ practices which are deceitful, oppressive or improper.

Yes <input type="checkbox"/>		No <input type="checkbox"/>
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Comment:

2. Has shown willingness to maintain effective internal control system and risk management practices.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

DIRECTORS' EVALUATION FORM

Annexure 1

3. Possesses relevant qualifications, knowledge, experience and ability to understand the technical requirements, risk and management of the Group's business.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
----------------------------	----------------------------	----------------------------	----------------------------

Comment:

Section B: Contribution and Performance

4. Probes management to ensure management has taken, and suggests management to take into consideration the varying opportunities and risks whilst developing the strategic plan (this plan may or may not be in writing as long as minutes of meeting provide a discussion of such strategy).

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

5. Provides logical honest opinions on issues presented and is not afraid of expressing disagreement on matters during the meeting, if any.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

6. Receives feedback from the Board and/ or Board committee and incorporates feedback obtained into the decision-making process in an objective manner.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

7. Defends stand through constructive deliberations at the Board and/ or Board committee meetings, where necessary

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
----------------------------	----------------------------	----------------------------	----------------------------

Comment:

DIRECTORS' EVALUATION FORM**Annexure 1**

8. Tackles conflicts and takes part in proposing solutions

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
----------------------------	----------------------------	----------------------------	----------------------------

Comment:

9. Offers practical and realistic advice to the Board and/ or Board committee discussions

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

10. Takes initiative to demand for additional information, where necessary.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

11. Tests quality of information and assumptions

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

12. Reviews and relates short-term concerns to long-term strategy

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

13. Contributes to risk management initiatives

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

DIRECTORS' EVALUATION FORM**Annexure 1**

14. Contributes personal knowledge and experience into the consideration and development of strategy

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

15. Facilitates objective-oriented decision-making process

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

16. Prioritises context of issues to be in line with objectives

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

17. Effectively and proactively follows up on areas of concern

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

18. Demonstrates willingness to devote time and effort to understand the Group and its business and readiness to participate in events outside the boardroom, such as site visits

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

DIRECTORS' EVALUATION FORM

Annexure 1

Section C: Calibre and personality

19. Acts in good faith and with integrity

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

20. Well prepared at meetings and adds value to the Board and/ or Board committee meetings

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

21. Works constructively with peers, the company secretary and senior management

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

22. Offers insight to matters presented with requisite knowledge and skills, and shares information

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

23. Encourages others to get things done, is decisive and action-oriented

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

24. Articulates in a non-confrontational and comprehensible manner

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

DIRECTORS' EVALUATION FORM

Annexure 1

25. Understands individual roles and responsibilities and ensures contribution is contemporary with developments

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

26. Behaviour engenders mutual trust and respect within the Board and other key officers

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

27. Communicates effectively with shareholders

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

28. Constructively challenges and contributes to the development of strategy

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

29. Scrutinises the performance of management in meeting based on agreed goals and objectives, and monitors reporting of performance

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

30. Satisfies himself/herself that financial information is accurate and financial controls and systems of risk management are robust and defensible

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
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Comment:

Checked and compiled by:

.....
Name:

Designation:

Prospective Directors Information

Annexure 2

Part A: Personal Details

- 1 Full Name
- 2 Date of Birth
- 3 NRIC No/Passport No
- 4 Citizenship
- 5 Permanent Address
- 6 Correspondence Address
- 7 Telephone No
- 8 Email address

Part B: Education Background and Work Experience

- 1 Education Qualification
- 2 Work Experience
- 3 Area of Expertise

Prospective Directors Information

Annexure 2

Part C: Directorship

- 1 List of Current and Past Directorship

Part D: Declaration

- 1 Do you have any relationship with any Directors/major shareholders of Eco-Shop Marketing Berhad and/or its subsidiaries?
(If yes, please provide details)

- 2 Do you have any interest, both direct and/or indirect in Eco-Shop Marketing Berhad and/or its subsidiaries?
(If yes, please provide details)

- 3 Do you have any relative currently working in Eco-Shop Marketing Berhad and/or its subsidiaries? (If yes, please provide details)

Prospective Directors Information

Annexure 2

- 4 Have you ever committed any commercial and criminal crimes under the Laws of Malaysia?
(If yes, please provide details)

- 5 Are you currently and/or the company where you are a director being notified of any impending disciplinary or criminal proceedings or of any investigations, which might lead to such proceedings?
(If yes, please provide details)

- 6 Have you or the company where you are a director contravene any provision made by or under any written law such as the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, the Malaysian Anti-Corruption Commission Act 2009, the Companies Act 2016, Capital Markets and Services Act 2007 and any other applicable laws?
(If yes, please provide details)

- 7 Have you or the company where you are a director been reprimanded by the regulators namely, Securities Commission Malaysia, Bursa Malaysia Securities Berhad and Suruhanjaya Syarikat Malaysia?
(If yes, please provide details)

- 8 Have you been involved in any business or relationship which could materially pose a conflict of interest or interfere with your judgment when acting as a director which is

Prospective Directors Information

Annexure 2

disadvantageous to the company? (If yes, please provide details)

- 9 Have you ever been defaulted in payment of interest and/or principal of loan/banking facilities? (If yes, please provide details)

- 10 Are you currently a bankrupt?

I, (NRIC/Passport No:)
hereby declare that the above responses are true and correct, as to the best of my knowledge. I further authorise the Company to conduct background check, if necessary, which may consist of prior employment verification, professional reference checks, education confirmation and/or criminal record and credit checks for the purpose of my appointment as a Director of Eco-Shop Marketing Berhad.

.....
Signature:

.....
Name:

.....
Date: