

ECOSCIENCE INTERNATIONAL BERHAD

(Registration No.: 202001024633 (1380953-M))

(Incorporated in Malaysia)

BOARD CHARTER

1. INTRODUCTION

The enhancement of corporate governance standards is vital towards achieving the objectives of transparency, accountability and effective performance for Ecoscience International Berhad (“**EIB**” or the “**Company**”) and its subsidiaries (the “**Group**”). It is with the aim of enshrining concepts of good governance as promulgated by the Malaysian Code on Corporate Governance 2021 (“**MCCG**”) that this Board Charter is established.

This Board Charter serves as a reference point for the board of directors (“**Board**”) of the Group’s activities and should not be construed as a blueprint for Board’s operations. The objectives of this Board Charter are to ensure that all Board members are aware of their duties and responsibilities and the various legislations and regulations affecting their conduct and the principles and practices of good governance are applied in all their dealings in respect and on behalf of the Group.

This Board Charter is subject to the provision of the Companies Act 2016 (“the **Act**”), Constitution of the Company, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**ACE Market Listing Requirements**”), the practices and guidance of the MCCG and any other applicable laws or regulatory requirements.

2. BOARD STRUCTURE

2.1. Composition of the Board

- 2.1.1. The Board consists of qualified individuals with diverse set of skills, experiences and knowledge that are necessary and relevant to the Group’s business operations.
- 2.1.2. In addition, the Board acknowledges the importance to promote gender diversity and MCCG requirements on Board composition where it should comprise at least 30% women directors. The Board expresses its commitment to maintain a balanced diversity in its Board and senior management.
- 2.1.3. In accordance with the ACE Market Listing Requirements, the Company must ensure that at least two (2) directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors.

The definition of “**Independent Directors**” shall have the meaning given in Chapter 1 of the ACE Market Listing Requirements.

- 2.1.4. The Constitution of the Company states that unless otherwise determined by the Company in general meeting, the number of directors must not be less than two (2) nor more than nine (9) (excluding alternate director).
- 2.1.5. In the event of any vacancy in the Board resulting in the total number of directors fall below the minimum number of directors and / or minimum number of Independent Directors, the vacant position must be filled within three (3) months of that event. Further, appointment of a new member to the Board is only made after consultation with the Nomination Committee.

- 2.1.6. A director shall inform the Board's Chairperson before he / she accepts any new directorships.
- 2.1.7. The Independent Directors shall provide independent judgement, experience and objectivity without being subordinated to operational considerations. The views of the Independent Directors should carry significant weight in the Board's decision-making process. Further, Independent Directors shall ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.
- 2.1.8. Each Board member must not hold directorships at more than five (5) public listed companies on Bursa Securities.

2.2. Duties and responsibilities of the Board

The duties and responsibilities of the Board are as follow:

- 2.2.1. The Board is charged with leading and managing the Group in an effective and responsible manner. Each director has a legal duty to act in the best interest of the Company. The directors, collectively and individually, are aware of their responsibilities to the shareholders and stakeholders for the manner in which the affairs of the Group are managed. The Board sets the Group's values and standards and ensures that its obligations to its shareholders and stakeholders are understood and met.
- 2.2.2. The Board understands that the responsibility for good corporate governance rests with them and therefore strives to follow the principles and best practices stated in the MCCG. The Board includes a narrative statement in its Company's annual report on the extent of application with the principles and best practices in corporate governance pursuant to Rule 15.25 of the ACE Market Listing Requirements.
- 2.2.3. Duties of the Board include establishing the corporate vision and mission, as well as the philosophy of the Company, setting the aims of the Management and monitoring the performance of the Management.
- 2.2.4. The principal responsibilities of the Board are as follows:
 - (a) To review, approve and ensure a strategic business plan (including the Group's sustainability strategies, priorities and targets) that promotes sustainability is adopted for the Group; and is responsible to monitor implementation of the strategic business plan by the Management;
 - (b) To oversee and understand the conduct of the Group's businesses and sustainability issues relevant to the Group and its business (including climate-related risks and opportunities) and evaluate whether the businesses and sustainability issues are being properly managed and targets set are achieved. Further, strategies, priorities and targets set as well as performance towards these targets shall be communicated to internal and external stakeholders;
 - (c) To understand the principal business and business sustainability risks faced by the Group and ensure implementation of appropriate internal control and risk management system to manage these risks;
 - (d) To promote good corporate governance culture within the Group together with the senior management which reinforces ethical, prudent and professional behavior;
 - (e) To ensure the senior management has the necessary skills and experience, and there are succession planning procedures in place. This includes, but not limited to, implementation of appropriate system(s) for recruitment, training and replacement of senior management personnel;

- (f) To review the adequacy and integrity of the Group's internal control and risk management system;
- (g) To oversee the development and implementation of investors relations programme or shareholder communication policy for the Group to enable effective communication with stakeholders;
- (h) To review and approve the Company's financial statements and annual report;
- (i) To ensure the integrity of the Company's financial and non-financial reporting;
- (j) To undertake a formal and objective annual evaluation to determine the effectiveness of the Board, the Board committees and each individual Director; and
- (k) To ensure that the Group adheres to high standards of ethics and corporate behaviour.

2.2.5. The Board reserves full decision-making powers on the following matters:

- (a) Acquisition and disposal or closure of business(es);
- (b) Any corporate restructuring matters;
- (c) Material acquisitions and disposition of tangible assets not in the ordinary course of business;
- (d) Conflict of interest issues relating to a substantial shareholder or a director;
- (e) Authority levels;
- (f) Treasury or investment policies and matters;
- (g) Risk management policies;
- (h) Proposed appointment of external auditors and their audit fees; and
- (i) Human resource matters relating to senior management.

2.2.6. In overseeing the conduct of the Group's businesses, the Board shall ensure that an appropriate financial planning, operations and reporting framework as well as an embedded risk management framework is established. Elements under this combined framework include the strategic business plan and budget, financial statements, performance review reports and risk management reports.

2.2.7. The Board as well as any director may seek independent professional advice relating to the affairs of the Group or his / her responsibilities as a director, at the Company's expense. If a director considers such advice as necessary, for the benefit of the Company, such director shall first discuss it with the Group Managing Director ("**GMD**") and having done so, shall be free to proceed, where appropriate. The director must also ensure that it is practicable and the cost is reasonable.

2.3 Chairperson and GMD

The Board recognises the importance of having a clearly accepted division of power and responsibilities by the head of the Company to ensure a balance of power and authority.

Therefore, the positions of the Chairperson and the GMD must be held by different individuals. The Chairperson must be a non-executive member of the Board and must not be a member of the Audit and Risk Management Committee, Nomination Committee or Remuneration Committee.

2.3.1. Role of Chairperson

The Chairperson is responsible for the following:

- (a) The leadership of the Board in ensuring the Board discharge its responsibilities effectively;
- (b) The efficient organisation and conduct of the Board's function, chairing Board meetings and encouraging all directors to play an active role in Board activities;
- (c) Taking the lead in setting the values and standards of the Company;
- (d) Ensuring complete and accurate information is furnished to Board members on a timely basis to facilitate decision-making;
- (e) Ensuring accurate and timely information, in particular, about the performance of the Company is furnished to Board members;
- (f) Setting the Board meeting agenda and ensuring that the complete and accurate information will be received by the Directors and adequate time is allocated for discussion of issues tabled to the Board for deliberation;
- (g) Encouraging active participation at Board meetings and allowing dissenting views to be freely expressed;
- (h) Chairing general meetings of shareholders and ensuring orderly conduct and proceedings of such meetings;
- (i) Ensuring effective communication with shareholders and stakeholders and that their views are communicated to the Board as a whole; and
- (j) Facilitating the contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors.

2.3.2. Role of the GMD

The position of the GMD in essence is to ensure the effective implementation of the Group's business plan and policies established by the Board as well as to manage the daily conduct of the business and affairs to ensure its smooth operation.

Generally, GMD is responsible to the Board for the following key functions:

- (a) Manage the day-to-day business operations of the Group;
- (b) Develop and implement corporate strategies and business development for the Group;
- (c) Manage the team such that they deliver the strategies and plans approved by the Board;
- (d) Ensure the Company has an effective management team and structure as well as develop management skills and putting in place an effective management succession plan to sustain continuity of operations. The succession planning, including ensuring that processes are in place to recruit senior management with the highest standards of integrity and competence, and to train, develop and retain them;
- (e) Coordinates business plans with the business heads, coordinates management issues through the Board, and oversees divisional function groups and cost containment process in consultation with the Chief Financial Officer;

- (f) Ensure the efficiency and effectiveness of the operations for the Group and that the business and affairs of the Group are carried out in an ethical manner and in compliance with the relevant laws and regulations;
- (g) Achievement of Company's goals and observance of management authorities delegated by the Board;
- (h) Be the official spokesman for the Company and responsible for regulatory, governmental and business relationships;
- (i) Ensure that the financial management practice is performed at the highest level of integrity and transparency; and
- (j) Ensure that effective internal controls for the Group are instituted.

2.4. Appointments of & Roles and Responsibilities of Executive and Non-Executive Directors

- 2.4.1. The appointment of a new director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination Committee. Further, the Board shall ensure that the shareholders have the required information to make an informed decision on appointment and re-appointment of directors.
- 2.4.2. New directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board performance of its duties and to give sufficient time and attention to the affairs of the Company.
- 2.4.3. The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new directors are properly executed.
- 2.4.4. Upon the appointment of a new director, the Company Secretary shall advise the director of his / her principal duties and responsibilities and explains the restrictions to which he / she is subject to in relation to price-sensitive information and dealings in the Company's securities. Thereafter, all directors are provided with appropriate briefings on the Company's affairs and up-to-date corporate governance materials published by the relevant bodies.
- 2.4.5. The Company has adopted an induction programme for newly appointed directors. The induction programme aims at communicating to the newly appointed directors on the Company's vision and mission, its philosophy and nature of business, current issues within the Company, the corporate strategy and the expectations of the Company concerning input from directors. Induction of new director may include, but not limited to, the following:
 - (a) provision of a copy of this Board Charter, recent Board minutes, relevant company policies, most recent annual and interim reports to shareholders and information on the time commitment needed, as well as specific information about the Group;
 - (b) meetings with relevant management; and
 - (c) site visits to major operating locations.
- 2.4.6. The Company has adopted educational / training programmes to update the Board in relation to new developments pertaining to the laws and regulations and changing commercial risks which may affect the Board and / or the Company.
- 2.4.7. In addition to the Mandatory Accredited Programme (MAP) as required by the Bursa Securities, directors are required to attend relevant training courses / seminars at periodic intervals to keep them abreast with development pertaining to the oversight function of directors as well as updates on technical matters. The Nomination Committee will assess the training needs of the directors and ensure the Board members have access to appropriate continuing education programmes. Trainings attended by the directors during the year will be disclosed in the Annual Report.

- 2.4.8. All directors are expected to make proper and timely disclosure of new directorships to the Chairperson.
- 2.4.9. The Board shall assess the independence of directors on an annual basis.
- 2.4.10. Executive Directors are the senior management of the Company who involved in the day-to-day management of the Group and assist the Board in decision making process through their technical expertise and knowledge of the business and industry.
- 2.4.11. Non-Executive Directors are the members of the Board who are not the employees of the Group and not involved in the day-to-day operation, who need to be sound in judgement and have an inquiring mind.
- 2.4.12. The responsibilities of Non-Executive Directors are as follows:-
- (i) advising and directing management in the development and evaluation of strategy;
 - (ii) scrutinising the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance;
 - (iii) satisfying themselves that the financial information presented is accurate; and
 - (iv) reviewing the risk management and internal control systems to ensure that they are robust and defensible.

2.5. Tenure of directors

- 2.5.1. New directors shall hold office only until the next Annual General Meeting (“**AGM**”) at which they will retire and be eligible for re-election.
- 2.5.2. Pursuant to the Constitution of the Company, all directors shall be subjected to retirement by rotation whereby one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of the AGM in every year provided always that all Directors shall retire from office once at least every three (3) years, but shall be eligible for re-election.
- 2.5.3. The tenure of an Independent Non-Executive Director should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Non-Executive Director may continue to serve on the Board as a Non-Independent Non-Executive Director. If the Board intends to retain an Independent Non-Executive Directors beyond nine (9) years, it shall justify and seek annual shareholders’ approval through a two-tier voting process. Under the two-tier voting process, shareholders’ votes will cast in the following manner at the same shareholders’ meeting:
- Tier 1: Only the Large Shareholder(s) of the Company votes.
 - Tier 2: Shareholders other than Large Shareholder(s) votes.

Large Shareholder means a person who:

- is entitled to exercise, or control the exercise of, not less than 33% of the voting shares in the Company; or
- is the largest shareholder of voting shares in the Company; or
- has the power to appoint or cause to be appointed a majority of the directors of the Company; or
- has the power to make or cause to be made, decisions in respect of the business or administration of the Company and to give effect decisions or cause them to be given effect to,

hereinafter referred to as “**Large Shareholder**”.

The decision for the resolution is determined based on the vote of Tier 1 and a simple majority of Tier 2. If there is more than one (1) Large Shareholder, a simple majority of votes determine the outcome the outcome of the Tier 1 vote.

The resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution.

However, the resolution is deemed to be defeated where the vote between the two tiers differs or where Tier 1 voter(s) abstained from voting.

2.6. Supply of Information

2.6.1. The Board should have access to all information pertaining to the Company. Management should supply accurate and complete information to the Board in a timely manner to enable the Board to discharge its duties effectively.

2.6.2. The Chairperson, assisted by the Company Secretary, shall assess the type of information required to be provided to the Board. If the information provided by the Management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.

2.7. Board meetings

2.7.1. The Board shall conduct at least four (4) scheduled meetings annually, with additional meetings to be convened as and when necessary.

2.7.2. Board members are required to attend the Board meetings. However, other senior management personnel may be invited to attend meetings for particular items within their responsibility. The Board may also invite external parties such as the auditors, solicitors and consultant as and when the need arises.

2.7.3. The notice of a Board meeting with a full agenda are circulated to all directors in advance of each Board meeting. The Board shall record its deliberations, in terms of the issues discussed and the conclusions thereof in discharging its duties and responsibilities.

2.7.4. Draft minutes of the Board meeting shall be circulated to the Board members within four (4) weeks after the meeting. The Board shall ensure the minutes of the meeting accurately reflect the deliberation and decisions of the Board, including any dissenting view and if any director had abstained from voting or deliberating on a particular matter. The minutes shall be approved by the Board at the next Board meeting and signed by the Chairperson of the meeting at which proceedings were held or by the Chairperson of the next meeting.

2.7.5. Board papers and agenda items are to be circulated at least five working (5) days or shorter notice where it is unavoidable prior to each Board meeting.

2.7.6. Full Board minutes of each Board meeting are kept by the Company Secretary and are available for inspection by any director at registered office during office hours.

3. BOARD COMMITTEES

The Board appoints the following Board committees with specific terms of reference:

- Audit and Risk Management Committee
- Nomination Committee
- Remuneration Committee

The roles and responsibilities of the abovementioned Board committees are set out in the terms and reference of each Board committee.

The Chairperson of the relevant Board committees will report to the Board on the key issues deliberated by the Board committees at the Board meetings.

4. GENERAL MEETINGS

In situation which warrants virtual general meeting to be conducted, the Board shall ensure the required infrastructure and tools are in place to amongst others, support smooth broadcast of the meeting, voting and interactive participation by shareholders.

The Board should take proactive measures to ensure that shareholders are able to participate at general meetings. Hence, the Company has leveraged on technology to facilitate electronic voting ("**e-voting**") for the conduct of poll on all resolutions proposed at its general meetings. E-voting decides are used to provide a more efficient and accurate outcome of the results.

In addition, minutes of general meeting shall be circulated to shareholder no later than thirty (30) business days after the general meeting.

4.1. Annual General Meeting ("AGM")

- 4.1.1. The Company regards the AGM as an important event in the corporate calendar of which all directors and senior management personnel should attend.
- 4.1.2. The Company regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with and constructive feedback from the Company's shareholders.
- 4.1.3. The Chairperson encourages active participation / engagement between the Board, senior management and shareholders during the AGM.
- 4.1.4. The Chairperson and, where appropriate, the GMD and directors respond to shareholders' queries during the meeting.

4.2. General Meeting ("GM")

- 4.2.1. All meetings of members other than AGM shall be called GM. The Company may convene a GM to transact other businesses.
- 4.2.2. The directors will consider requisitions by shareholders to convene a GM or any other urgent matters requiring immediate attention of the Company.

5. RELATIONSHIP WITH SHAREHOLDERS AND STAKEHOLDERS

- 5.1. The Board shall maintain an effective communications policy that enables both the Board and Management to communicate effectively with its shareholders, stakeholders and the general public.
- 5.2. The Board shall ensure the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.

The Company shall conduct dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.

- 5.3. The Board shall encourage full participation of shareholders at the AGM and GM 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 auditor's report.
- 5.4. The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

6. COMPANY SECRETARY

- 6.1. The appointment and removal of the Company Secretary is a matter for the Board.
- 6.2. The Company Secretary shall be suitably qualified, competent and capable of carrying out the duties required of the position.
- 6.3. The key role of the Company Secretary is to provide unhindered advice and services for the directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.
- 6.4. The main responsibilities of the Company Secretary shall include, but not limited to:
 - (a) Manage all Board and Board committee meeting logistics, attend and record minutes of all Board and Board committee meetings and facilitate Board communications;
 - (b) Advise the Board on its roles and responsibilities;
 - (c) Advise the Board on corporate disclosures and compliance with the Act and securities regulations and listing requirements;
 - (d) Manage processes pertaining to the annual shareholder meeting;
 - (e) Monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and
 - (f) Serve as focal point for stakeholders' communication and engagement on corporate governance issues.
- 6.5. The Board members have unlimited access to the professional advice and services of the Company Secretary.

7. CODE OF CONDUCT AND ETHICS

The Board, in discharging its role, is guided by the Code of Conduct and Ethics for directors (the "**Code of Ethics**"). The Code of Ethics requires directors to observe high ethical business standards, honesty and integrity. Directors are required to apply these values to all aspects of the Group's businesses and act in good faith in the best interests of the Group and its stakeholders.

In the performance of his duties, a director should at all time, observe the following standards of conduct:

- (a) A director must have a clear understanding of the aims and objectives, capabilities and capacity of the Group;
- (b) A director must act honestly, in good faith and in the best interests of the Group as a whole;
- (c) A director must use his / her powers for a proper purpose and in good faith in the best interest of the Group;

- (d) A director must use reasonable care, skill and diligence in discharging his / her duties;
- (e) A director should devote adequate time to the Group's activities;
- (f) A director must recognise that the primary responsibility is to the Group's shareholders as a whole but should, where appropriate, have regard for the interests of all stakeholders of the Group;
- (g) A director must not make improper use of the information acquired as a director;
- (h) A director must not take improper advantage of his / her position as director;
- (i) A director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the Group;
- (j) A director has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board;
- (k) A director should disclose immediately all contractual interests whether directly or indirectly with the Group;
- (l) A director can seek independent expert advice in accordance with the Group's policy on external advice; and
- (m) A director should not engage in conduct likely to bring discredit to the Group.

8. DEALINGS IN SECURITIES

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

9. WHISTLEBLOWING POLICY

The Board is committed to ensure that its business and operations are conducted in an ethical, honesty and integrity manner. To achieve this purpose, the Board has established a 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 a 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.

10. 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 and top-level management are committed to acting professionally, fairly and with integrity in all of the Group's business, in whichever country we operate.

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

11. APPLICATION

11.1 The principles set out in this Board Charter are:

- (a) kept under review and updated as practices on corporate governance develops and further guidelines on corporate governance are issued by the relevant regulatory authorities;
- (b) applied in practice having regard to their spirit and general principles; and
- (c) summarised in the Annual Report as part of a narrative statement by the Directors on Corporate Governance.

11.2 The Board endeavours to comply at all time with the principles and practices set out in this Board Charter.

11.3 This Board Charter and all Board committee terms of refence shall be reviewed annually by the Board.

This Board Charter is adopted on 20 August 2021.