

ECOSCIENCE INTERNATIONAL BERHAD

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

(Incorporated in Malaysia)

DIRECTORS' FIT AND PROPER POLICY

1. INTRODUCTION

Paragraph 15.01A of Bursa Malaysia Securities Berhad ACE Market Listing Requirements ("AMLR") require Ecoscience International Berhad (the "Company") and its group of companies ("the "Group") to have and publish on its website, a fit and proper policy for the appointment and re-election of directors of the Company and its subsidiaries ("Directors' Fit and Proper Policy"), and to ensure that the Directors' Fit and Proper Policy addresses board quality and integrity and will aid the Company to ensure that each of its Board of Directors ("Board"), Managing Director or Head of Finance has the character, experience, integrity, competence and time to effectively discharge his or her role.

Pursuant to Paragraph 15.08A(3) of the AMLR, the Company is required to disclose the application of the Directors' Fit and Proper Policy in its annual report under the statement about the activities of the Nomination Committee ("NC") in the discharge of its duties for the financial year Paragraph in line with the AMLR

In addition, Practice 5.5 of the Malaysian Code on Corporate Governance ("MCCG") recommends that the appointment of Board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the Board effectively. The Board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the Company should be avoided.

The Board should ensure that the fit and proper criteria on the appointment and re-election of directors of the Group set out in Paragraph 2 of this policy are applied on a continuing basis.

The Board and the NC shall conduct the fit and proper assessment prior to the appointment of any candidate as a director, or making recommendation for the re-election of an existing director.

2. FIT AND PROPER CRITERIA

The fit and proper criteria listed below would be used as a reference by the NC in assessing the suitability of a proposed candidate or director:

A. CHARACTER AND INTEGRITY

(i) Reputation

- is of good repute in the financial and business community;
- has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years;
- has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management.

DIRECTORS' FIT AND PROPER POLICY

- (ii) Probity and integrity
 - is compliant with legal obligations, regulatory requirements and professional standards;
 - has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law;
 - 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 professional conduct;
 - service contract (i.e. in the capacity of management or director) had not been terminated in the past due to concerns on personal integrity;
 - 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;
 - manages personal debts or financial affairs satisfactorily and with good financial standing based on report from a credit rating agency; and
 - demonstrates ability to fulfil personal financial obligations as and when they fall due.

B. EXPERIENCE AND COMPETENCE

- (i) Accomplishment and experience in the relevant industry
 - 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.
- (ii) Qualification, capabilities and skills
 - 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);
 - has a considerable understanding on the workings of a corporation;
 - possesses general management skills of at least 5 years as well as understanding of corporate governance and sustainability issues;
 - keeps knowledge current based on continuous professional development;
 - possesses leadership capabilities and a high level of emotional intelligence; and
 - keeps knowledge and has experience to act as a director of any listed issuer.
- (iii) Relevant past experience or track records as director or senior management
 - had a career of a senior management or high level position in a comparable organisation for at least 5 years, and was accountable for driving or leading the organisation's governance, business performance or operations; and
 - 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.

DIRECTORS' FIT AND PROPER POLICY

C. TIME AND COMMITMENT

- (i) Commitment in respect of time and relevant interest
 - 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 and non-listed entities (including not-for-profit organisations).
- (ii) Participation and contribution in the Board (applicable for re-election of existing directors only)
 - demonstrates willingness to participate actively in Board activities;
 - demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
 - manifests passion in the vocation of a director;
 - exhibits ability to articulate views independently, objectively and constructively; and
 - exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

Proposed candidates will be asked to submit the necessary personal information, provide declaration in writing that they have met the criteria set out in Paragraph 2 of this policy together with their written consent to be appointed as a Director of the Company and/or its subsidiaries.

The NC may request candidates to provide additional information and documents, if considered necessary.

3. **NOMINATION PROCEDURES**

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| Step 1 | <p>Candidate identified</p> <p>It can be identified based on:</p> <ul style="list-style-type: none"> (i) the recommendation of the existing Directors or senior management staff; (ii) the identification of internal candidates through internal promotion and development plan; or (iii) appropriate identification of external candidates from independent source. |
| Step 2 | <p>Assessment and evaluation to be conducted by the NC</p> <p>The assessment should be conducted based on the abovementioned criteria.</p> <p>The NC would also need to consider the size and composition of the Board to be in compliance with the Company's Constitution, AMLR and MCCG.</p> |
| Step 3 | Recommendation to be made by NC to the Board. |
| Step 4 | Discussion and decision to be made by the Board on the proposed new appointment. |

DIRECTORS' FIT AND PROPER POLICY

4. ASSESSMENT OF FITNESS AND PROPRIETY OF DIRECTORS

The fit and proper assessments on each director within the scope of this Policy shall be conducted by the Company both prior to initial appointments and at regular intervals or whenever the Company becomes aware of information that may materially compromise a director's fitness and propriety.

The Company will consider the criteria set out in Paragraph 2 of this policy in assessing a director's fitness and propriety. The criteria shall be assessed individually, as well as collectively, taking into account their relative importance. Failure to meet one criteria on its own does not necessarily mean failure to meet the fit and proper criteria. The Company will consider the specific circumstances surrounding a director's failure to meet specific factors, such as the lapse of time since the occurrence of events, other contributing factors and the significance of the event from the perspective of potential risks posed to the Company.

The Company should exercise the assessment objectively in the best interests of the Company and the sound conduct of the Company's business. In conducting the assessment, the Company should consider whether there have been material changes in the nature or scope of the responsibilities assumed by a director in which higher standards of competence or judgement are required in order to properly perform the duties associated with the said position.

5. CONFIDENTIALITY

Unless required by law or any regulatory authority, under no circumstances shall a member of the NC or a staff member of the Group disclose any information to or entertain any enquiries from the public with regard to any nomination or candidature before the information is circulated to shareholders, as the case may be, is issued. Following the information disclosure to shareholders or public, the NC or Company Secretary or other staff member of the Group approved by the NC may answer enquiries from the regulatory authorities or the public but confidential information regarding nominations and candidates should not be disclosed.

6. REVIEW OF THE POLICY

This Policy will be reviewed periodically by the Company, updated and approved by the Board as and when necessary to ensure that it remains current and relevant in addressing the needs of the Group.

The Policy will be made available to public on the Company's website.

7. REVISION OF THE POLICY

The provisions of this Policy can be amended and supplemented from time to time by a resolution of the Board.

This Directors' Fit and Proper Policy is adopted on 12th July 2022.