

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0255  
**COMPANY NAME** : ECOSCIENCE INTERNATIONAL BERHAD  
**FINANCIAL YEAR** : December 31, 2022

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is directly responsible for the performance and affairs of the Group. The Board provides leadership and guidance for setting strategic direction of the Group. Its principal roles and responsibilities are as follows:</p> <ul style="list-style-type: none"> <li>• Formulating a strategic plan for the Company and tailoring the same from time to time by taking practical, realistic and holistic approaches;</li> <li>• Reviewing, challenging and deciding on management's proposals and monitoring its implementation;</li> <li>• Promoting good corporate governance culture within the Group;</li> <li>• Identifying principal risks and ensuring the implementation of appropriate systems to mitigate these risks;</li> <li>• Reviewing the adequacy and integrity of the Company's internal control systems for compliance with applicable laws, regulations, rules and guide;</li> <li>• Assessing management's response to ensure the Company's business is properly managed and sustained; and</li> <li>• Overseeing the development and implementation of the investor relations programme.</li> </ul> <p>The salient features of the Board Charter are available on the Company's website at <a href="http://www.ecosciencegroup.com">www.ecosciencegroup.com</a>.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Chairman of the Board, Dato' Tan Yee Boon, who is an Independent Non-Executive Director ("Chairman"), is responsible for leading the Board in ensuring the integrity and effectiveness of the Group's corporate governance practices, acts as a facilitator at the meetings and ensure the Board proceedings comply with good conduct and best practices.</p> <p>The Chairman carries out a leadership role in the conduct of the Board and the primary responsibilities of the Chairman are, amongst others, as follows:</p> <ul style="list-style-type: none"><li>(a) The leadership of the Board in ensuring the Board discharge its responsibilities effectively;</li><li>(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;</li><li>(c) Taking the lead in setting the values and standards of the Company;</li><li>(d) Ensuring complete and accurate information is furnished to Board members on a timely basis to facilitate decision-making;</li><li>(e) Ensuring accurate and timely information, in particular, about the performance of the Company is furnished to Board members;</li><li>(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;</li><li>(g) Encouraging active participation at Board meetings and allowing dissenting views to be freely expressed;</li><li>(h) Chairing general meetings of shareholders and ensuring orderly conduct and proceedings of such meetings;</li><li>(i) Ensuring effective communication with shareholders and stakeholders and that their views are communicated to the Board as a whole; and</li><li>(j) Facilitating the contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors.</li></ul> <p>Details of the responsibilities of the Chairman are set out in the Board Charter of the Company which is available on the Company's website at <a href="http://www.ecosciencegroup.com">www.ecosciencegroup.com</a>.</p>

<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.3

The positions of Chairman and CEO are held by different individuals.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company does not have a CEO. However, the Managing Director ("MD") bears overall responsibilities for the Group's businesses and operations.</p> <p>The positions of the Chairman and MD are held by different individuals, namely Dato' Tan Yee Boon and Mr. Wong Choi Ong.</p> <p>There is clear separation of duties and responsibilities to ensure a balance of power and authority so that no one individual has unfettered powers of decision making.</p> <p>The Independent Non-Executive Chairman carries out a leadership role by leading the Board in its collective oversight of the Group's management.</p> <p>The MD bears overall responsibilities for the Group's business performance and manages the Group in accordance with the strategies and policies approved by the Board. The MD is also responsible for the day-to-day operations of the Group, within the authorities as delegated by the Board.</p> <p>The roles of Chairman and MD are strictly separated with clear division of responsibilities as outlined in the Company's Board Charter, which is available on the Company's website at <a href="http://www.ecosciencegroup.com">www.ecosciencegroup.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: Dato' Tan Yee Boon, the Independent Non-Executive Chairman of the Company is not a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee and he does not participate in any Board Committees' meetings.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

## Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by two (2) qualified and competent Company Secretaries to provide support and guidance in advising the Board on all secretarial matters of the Company in relation but not limited to Companies Act 2016, ACE Market Listing Requirement of Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance 2021.</p> <p>The Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators and are qualified to act as Company Secretary pursuant to Section 235(2) of the Companies Act 2016.</p> <p>The Company Secretaries are responsible for providing support and guidance in advising the Board on all secretarial matters of the Company, in particular the compliance of the ACE Market Listing Requirement of Bursa Malaysia Securities Berhad as well as informing and keeping the Board abreast of the latest developments in corporate governance, changes in the legal regulatory framework, new statutory requirements and best practices.</p> <p>The Board members have unrestricted access to the professional advice and services of the Company Secretaries for the purpose of the Board's affairs and the Company's business.</p> <p>The main responsibilities of the Company Secretaries are set out in the Company's Board Charter, which is available on the Company's website at <a href="http://www.ecosciencegroup.com">www.ecosciencegroup.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	



<b>Timeframe</b>	:		
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### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company endeavours to issue the agenda and meeting papers at least three (3) days prior to Board and Board Committees meetings. This will allow Directors to review the issues to be deliberated upon and where necessary, obtain any further explanation required.</p> <p>The deliberations and decisions at Board and Board Committee meetings are well documented in the minutes by the Company Secretary, including matters where Directors abstained from voting or deliberation. The meeting minutes will be circulated to the Board and Board Committees and confirmed as a correct record of the proceedings by the Board and Board Committees at their following respective meetings.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

### Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had adopted a Board Charter on 20 August 2021 which is to provide guidance to them in the fulfilment of their roles, duties and responsibilities to be in line with the principles of good corporate governance. The Board Charter would be periodically reviewed and updated as and when necessary to ensure that it remains consistent with the Group's policies and procedures, the Board's overall responsibilities as well as changes to legislation and regulations.</p> <p>The Board Charter is available on the Company's website at <a href="http://www.ecosciencegroup.com">www.ecosciencegroup.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board noted the importance of the Code of Conduct and Ethics of the Company that emphasizes the Company's commitment to conduct its business fairly, impartially and in full compliance with all applicable laws and regulations in Malaysia and in countries where the Company has operations. The Company's professionalism, honesty and integrity must at all times be upheld in the Company's business dealings with customers, vendors, suppliers, contractors, government, regulators, investors, the business community as a whole and in the relationship with its own employees.</p> <p>Currently, the Board of Directors adheres to the Code of Conduct and Ethics for Company Directors issued by the Companies Commission of Malaysia. This Code of Conduct and Ethics provides good guidance for a standard of ethical behaviour for Directors based on trustworthiness and honest values that are acceptable and to uphold the spirit of responsibility including social responsibility in line with the legislation, regulations and guidelines for administrating a company.</p> <p>A copy of the Company's Code of Conduct and Ethics is made available on the Company's website at <a href="http://www.ecosciencegroup.com">www.ecosciencegroup.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had established a Whistle Blowing Policy (“Policy”) to uphold values and highest standard of work ethics for all directors, managers and employees in line with good corporate governance and business integrity practices.</p> <p>The aim of this Policy is to encourage reporting of any suspected fraud, corruption, conduct or inappropriate behaviour of the Company. The Policy will provide an avenue for all employees of the Company and all agents, vendors, contractors, suppliers, consultants and customers of the Company and members of the Company to raise concerns about any improper conduct without fear of retaliation and to offer protection for the reporter who reports such allegations. This will strengthen the accountability and transparency in the business affairs of the Company. The Policy is regularly reviewed by the Board as and when required to ensure that it remains relevant and appropriate.</p> <p>The Policy is available on the Company’s website at <a href="http://www.ecosciencegroup.com">www.ecosciencegroup.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board of the Company has taken steps to integrate sustainability issues as core of its strategic formulation. The Board is supported by the ESG Committee members, which enables the Board to assess and ensure that sustainability governance is structured and functioning through the various level of management.</p> <p>The Board noted that the Company has adopted materiality assessment process, which is guided by Bursa Securities' Sustainability Reporting Guide and Toolkits and ensure that the stakeholder communication methods are regularly assessed, through information requests to ensure that the communication are transparent and effective.</p> <p>The Group Risk Management Framework sets out the approach to the identification, assessment, management, monitoring, and reporting of risks. The Board will then regularly review performance against the risk tolerance limits. The Board will be briefed by the Audit and Risk Management Committee on the risk highlighted and ensure that the Management has put in place actions to mitigate risks and controls to maintain the risk exposures within the acceptable levels as approved by the Board.</p> <p>The Company will take appropriate measures to set science-based emission reduction target to support cleaner environment by the financial year ending 31 December 2024.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.2**

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	No sustainability targets as well as performance against the targets are disclosed in the Annual Report 2022. Nevertheless, the Company has engaged its internal and external stakeholders to discuss its sustainability strategies and initiatives.	
		The Board will ensure that the sustainability targets and performance against these targets to be disclosed by the financial year ending 31 December 2024.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	NIL	
<b>Timeframe</b>	:	Others	

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has sufficient understanding and knowledge of the sustainability issues that are relevant to the Company and its business, to discharge its role effectively. The measures that the Board has taken to attain a better and more sustainable future are disclosed in the Sustainability Statement of the Annual Report 2022.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The review of the performance of the Board in addressing the Company's material sustainability risks and opportunities are included in the Board's performance evaluation and the findings have been forwarded to the Management for consideration.	
		The Management is currently in the process of introducing a sustainability related KPI for senior management and will present it to the Board for approval in financial year ending 2023.	
The Board proposes to adopt this practice by the financial year ending 31 December 2023.			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	NIL	
<b>Timeframe</b>	:	Others	

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.5- Step Up**

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

## Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee ("NC") reviewed the tenure of each director to ensure the tenure of an independent director does not exceed a term limit of nine (9) years as recommended by the MCCG 2021.</p> <p>The NC conducted annual assessment of the performance of the Board as a whole for the financial year ended 31 December 2022, as well as the independency of the Independent Directors before made its recommendation to the Board.</p> <p>Furthermore, the NC reviewed and evaluated the composition of the Board and the Board Committees, assess the re-election of the retiring Directors and recommended for Board's approval.</p> <p>The Terms of Reference of the NC is available on the Company's website at <a href="http://www.ecosciencegroup.com">www.ecosciencegroup.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Majority or 67% [four (4) out of six (6)] of the Board members are Independent Non-Executive Directors.</p> <p>The Company has complied with the requirement of Rule 15.02(1)(a) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad to have at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be Independent Directors. This is also in line with Practice 5.2 of the MCCG where it requires at least half of the Board members comprises Independent Directors.</p> <p>The current composition of the Board provides an effective Board with a mix of industry specific knowledge, broad based business and commercial experience together with independent judgement on matters of strategy, operations, resources and business conduct. The combination of professionals with diverse and varied backgrounds, wealth of experience and expertise in finance and corporate affairs also enables the Board to discharge its responsibilities effectively and efficiently. Profile of the Directors are as set out in the Annual Report 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.3**

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine 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 years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board noted that the tenure of an Independent Director shall not exceed a cumulative term limit of nine years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to his/her redesignation as a Non-Independent Director. Otherwise, the Board must justify and seek shareholders' approval through a two-tier voting process at the Annual General Meeting in the event the Board retains such Director as an Independent Director.</p> <p>Currently, there is no Independent Director who served beyond nine (9) years.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.4 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

*Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	



### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.5

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance and benefits of providing fair and equal opportunities for every employee within the Group. Therefore, the Board is committed to ensure that diversity in skills, experience, age, cultural background and gender is in place at the Board and senior management level.</p> <p>The Nomination Committee (“NC”) is entrusted to develop the policies and procedures in formalising the approach in the recruitment process and annual assessment of Directors, which serve as guides for the NC in discharging its duties in the areas of nomination, evaluation, selection and appointment process of new Directors.</p> <p>The selection of candidates for appointment of additional Director shall be considered by the NC, based on clear criteria including competency, knowledge, expertise and experience, professionalism, integrity and time commitment.</p> <p>The appointment of senior management is also based on objective criteria and merit, and with due regard for diversity in skills, experience, age, cultural background and gender.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises 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 Nominating Committee should explain why these source(s) suffice and other sources were not used.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Since the Company was listed on ACE Market of Bursa Malaysia Securities Berhad on 18 July 2022, no new Director was appointed. Nomination Committee has reviewed the composition of the Board and Board Committees and is satisfied with the current composition. Therefore, the Board has not utilised any independent sources to identify any other candidates at the moment.  Nonetheless, the Board appreciates the recommendation of this Practice 5.6 and may utilise independent sources in identifying suitably qualified candidates as and when necessary in future.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

## Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has included in the Statement Accompanying Notice of Second Annual General Meeting (“AGM”) the profiles of Directors who are seeking for re-election which include their age, gender, directorships in other public companies and listed issuers, qualification, working experience and any conflict of interest as well as their shareholdings in the Company, if any.</p> <p>The profiles of Directors who are seeking for re-election are also set out on pages 15 to 16 of the Annual Report 2022 and available on the Company’s website at <a href="http://www.ecosciencegroup.com">www.ecosciencegroup.com</a>.</p> <p>A Statement on the Board has supported the Nomination Committee’s recommendation for the proposed re-election of the two Directors retiring at the upcoming AGM, namely Mr Pan Kum Wan and Mr Law Sang Thiam along with the justifications why the Board supports the re-election of the said Directors have been included in the Explanatory Notes of the Company’s Notice of AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.8**

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee (“NC”) is chaired by Ms Andrea Huong Jia Mei, who is an Independent Non-Executive Director.</p> <p>The Terms of Reference of the NC are available on the Company’s website at <a href="http://www.ecosciencegroup.com">www.ecosciencegroup.com</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	There are total two (2) female Directors, namely Ms Ang Chye Kian and Ms Andrea Huong Jia Mei which accounts for 33% of the Board composition.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Board does not have a formal gender diversity policy for the Board and senior management.</p> <p>However, the Board acknowledges the importance of Boardroom diversity and recognised the recommendation of Malaysia Code on Corporate Governance 2021. There are two (2) female members on the Board, namely Ms Ang Chye Kian and Ms Andrea Huong Jia Mei which representing 33% of the total Board members. The female Directors provide the Board with gender diversity that serves to bring value to the Board's discussion from different perspectives and approaches as well as different leadership style.</p> <p>Currently, there is one (1) female in the senior management of the Group, namely Ms Goh Yu Meng, the Head of Human Resources and Administration which representing 20% of the total senior management. The Company will ensure that steps are taken to include more women candidates at senior management recruitment exercise.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

### Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Board undertakes formal and objective annual evaluation to determine the performance and effectiveness of the Board and its Board Committees. The Board evaluation comprises a Board Assessment, Board Committees' Assessment, an Individual Assessment, Board Assessment on managing the sustainability matters of the Group and an Assessment of Independence of Independent Directors.</p> <p>The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and responsibilities of the Board, the Board Committees and the Chairman's role and responsibilities. For Individual Assessment, the assessment criteria include individual character, experience, integrity, competence &amp; time commitment.</p> <p>The results of the assessment including the submission of Fit &amp; Proper Declaration Forms would form the basis of the Nomination Committee's ("NC") recommendation to the Board for the re-election of Directors at the next Annual General Meeting ("AGM"). Based on the annual assessment conducted, the NC was satisfied with the existing Board composition and concluded that each Director has the requisite competence, skills, time commitment and experience to serve on the Board and has sufficiently demonstrated their commitment to the Company in terms of time and participation during the financial year ended 31 December 2022, and recommended to the Board the re-election of retiring Directors at the Company's forthcoming AGM. All assessments and evaluations carried out by the NC in discharging its functions were properly documented.</p>
<b>Explanation for departure</b>	:  

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		



## Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

## Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company had adopted the Remuneration Policy on 16 January 2023 to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required.</p> <p>The Remuneration Committee ("RC") and the Board will ensure the Company's remuneration policy remains supportive to the Company's corporate objectives and is aligned with the interest of shareholders, and the remuneration packages of Directors and senior management are sufficiently attractive to attract and to retain persons of high calibre.</p> <p>The Remuneration Policy is available on the Company's website at <a href="http://www.ecosciencegroup.com">www.ecosciencegroup.com</a></p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has set up a Remuneration Committee ("RC") which comprises exclusively Independent Non-Executive Directors in order to assist the Board for determining the Director's remuneration.</p> <p>The RC meets when required and is entrusted, among others, to establish a formal and transparent procedure for developing executive remuneration, fixing and examining the remuneration packages and other benefits of the Executive Directors and senior management. The contribution, responsibilities and performance of each Executive Director and senior management is taken into account when determining their respective remuneration packages.</p> <p>Non-Executive Directors' fees are determined by the Board as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his fee.</p> <p>The Terms of Reference of the RC is available on the Company's website at <a href="http://www.ecosciencegroup.com">www.ecosciencegroup.com</a></p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.1**

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The detailed disclosure on named basis for the remuneration of each director are provided in the Corporate Governance Overview Statement in the Annual Report 2022 and page 37 of this report.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Tan Yee Boon	Independent Director	35,000	3,000	Input info here	Input info here	Input info here	Input info here	38,000	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Wong Choi Ong	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	1,827,099	Input info here	27,325	133,602	1,988,026
3	Pan Kum Wan	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	1,206,532	Input info here	17,400	74,743	1,298,675
4	Law Sang Thiam	Independent Director	21,000	3,000	Input info here	Input info here	Input info here	Input info here	24,000	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Ang Chye Kian	Independent Director	21,000	3,000	Input info here	Input info here	Input info here	Input info here	24,000	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
6	Andrea Huong Jia Mei	Independent Director	21,000	3,000	Input info here	Input info here	Input info here	Input info here	24,000	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

### Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Departure												
<b>Explanation on application of the practice</b>	:													
<b>Explanation for departure</b>	:	<p>The MCCG recommended the Board to disclose on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000. However, the Board is of the view that due to the highly competitive nature of the human resource market, disclosure on a named basis for the top senior management would not be in the best interest of the Company.</p> <p>Nevertheless, the details of the remuneration of the top senior management in each successive band of RM100,000 during the FY2022 are disclosed in the Annual Report 2022 as follows:</p> <table border="1"> <thead> <tr> <th>Range of Remuneration (RM)</th> <th>Number of Employees</th> </tr> </thead> <tbody> <tr> <td>100,000 – 200,000</td> <td>1</td> </tr> <tr> <td>200,001 – 300,000</td> <td>2</td> </tr> <tr> <td>300,001 – 400,000</td> <td>-</td> </tr> <tr> <td>400,001 – 500,000</td> <td>-</td> </tr> <tr> <td>500,001 – 600,000</td> <td>2</td> </tr> </tbody> </table>	Range of Remuneration (RM)	Number of Employees	100,000 – 200,000	1	200,001 – 300,000	2	300,001 – 400,000	-	400,001 – 500,000	-	500,001 – 600,000	2
Range of Remuneration (RM)	Number of Employees													
100,000 – 200,000	1													
200,001 – 300,000	2													
300,001 – 400,000	-													
400,001 – 500,000	-													
500,001 – 600,000	2													
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>														
<b>Measure</b>	:	NIL												
<b>Timeframe</b>	:	Others												

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	



No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.1**

The Chairman of the Audit Committee is not the Chairman of the board.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors has established an Audit and Risk Management Committee ("ARMC") which is chaired by the Independent Non-Executive Director, Mr. Law Sang Thiam.</p> <p>Meanwhile, the Chairman of the Board is Dato' Tan Yee Boon. As such, the Chairman of the ARMC is distinct from the Chairman of the Board.</p> <p>Having the positions of the Chairman of the Board and Chairman of the ARMC assumed by different individuals allows the Board to objectively review the ARMC's findings and recommendations.</p> <p>The Terms of Reference of ARMC is available on the Company's website at <a href="http://www.ecosciencegroup.com">www.ecosciencegroup.com</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 9.2**

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Company recognised the need to uphold independence of its external auditors and that no possible conflict of interest whatsoever should arise. Currently, none of the members of the Board or the Audit and Risk Management Committee ("ARMC") of the Company was former audit partners of the external auditors appointed by the Group. The Company will observe the cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the ARMC was an audit partner of the external auditors of the Group, and this practice is adopted under the term of reference of ARMC.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit and Risk Management Committee ("ARMC") has established a transparent and appropriate relationship with the Company's External Auditors, Messrs Crowe Malaysia PLT. The External Auditors will highlight to the ARMC and the Board on matters that require their attention.</p> <p>The ARMC is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the External Auditors. The ARMC also reviews the nature and extent of non-audit services rendered by the external auditor during the financial year and concluded that the provision of these services did not compromise their independence and objectivity. The ARMC has been explicitly accorded the power to communicate directly with both the External Auditors and Internal Auditors. The terms of engagement for services provided by the External Auditors are reviewed by the ARMC prior to submission to the Board for approval. The effectiveness and performance of the External Auditors will be reviewed annually by the ARMC.</p> <p>To assess the suitability, objectivity and independence of the External Auditors, the ARMC has taken into consideration of the following:</p> <ul style="list-style-type: none"><li>• the adequacy of the experience and resources of the external auditors;</li><li>• the external auditor's ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;</li><li>• the nature and extent of the non-audit services provided by the external auditor and the appropriateness of the level of fees paid for such services relative to the audit fee; and</li><li>• whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit and avoid situations where the audit firm inadvertently assumes the responsibilities of management in the course of providing non-audit services or tenure of the external auditor.</li><li>• the information as presented in its Annual Transparency Report.</li></ul>

	<p>Annual appointment or re-appointment of the External Auditors is via shareholders' resolution at the Annual General Meeting ("AGM") on the recommendation of the Board. The External Auditors are being invited to attend the AGM of the Company to respond and reply to the shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statement.</p> <p>The ARMC is satisfied with the competence and independence of the External Auditors for the financial year ended 31 December 2022. Having regard to this, the Board approved the ARMC's recommendation for the shareholders' approval to be sought at the AGM on the reappointment of Messrs Crowe Malaysia PLT as the External Auditors of the Company for the financial year ending 31 December 2023.</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Audit and Risk Management Committee comprises three (3) members, all of whom are Independent Non-Executive Directors, as follows:  <ol style="list-style-type: none"><li>1) Chairperson: Mr Law Sang Thiam</li><li>2) Member: Ms Ang Chye Kian</li><li>3) Member: Ms Andrea Huong Jia Mei</li></ol>

## Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

## Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All members of the Audit and Risk Management Committee ("ARMC") are financially literate and able to assist the Board to oversee and scrutinise the process and quality of the financial reporting and ensure accuracy, adequacy and completeness of the report, as well as in compliance with the relevant accounting standards.</p> <p>The members of the ARMC have the relevant experience and expertise in finance, accounting and tax. They have carried out their duties in accordance with the Terms of Reference of the ARMC. The qualification and experience of the individual ARMC members are disclosed in the Directors' Profile in the Annual Report.</p> <p>All members of ARMC undertake and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required to enable them to effectively discharge their duties.</p> <p>The professional trainings courses attended by the ARMC members are disclosed under page 44 of the Annual Report 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.1

The board should establish an effective risk management and internal control framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit and Risk Management Committee ("ARMC") comprises three (3) members, all of whom are Independent Non-Executive Directors.</p> <p>The Board is entrusted with the overall responsibility of continually maintaining a sound system of risk management and internal controls, which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard stakeholders' interest and the Group's assets. The internal control system is designed to access current and emerging risks and respond appropriately to the risks encountered.</p> <p>As an effort to enhance the system of risk management and internal controls, the Board together with the assistance of an external independent professional consulting firm adopted on-going monitoring and review of the existing risk management and internal control process in place within the various business operations, with the aim of formalising the risk management and internal control functions across the Group. This function also acts as a source to assist the ARMC and the Board to strengthen and improve current management and operating style in pursuit of best practices.</p> <p>As an ongoing process, significant business risks faced by the Group are identified and evaluated and consideration is given to the potential impact of achieving the business objectives. This includes examining principal business risks in critical areas, assessing the likelihood of material exposures and identifying the measures taken to mitigate, avoid or eliminate these risks.</p> <p>The Statement on Risk Management and Internal Control of the Group provides an overview of the risk management practices and internal controls implemented by the Group can be found in Annual Report 2022.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The features of the Group's risk management and internal control framework and the adequacy and effectiveness of which are elaborated in the Statement on Risk Management and Internal Control of the Annual Report 2022, which has been reviewed by the External Auditors.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

**Practice 10.3 - Step Up**

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group outsourced its internal audit function to a professional services firm namely GovernanceAdvisory.com Sdn Bhd., to provide an independent assessment and assurance over the system of internal control of the Group to the Audit and Risk Management Committee ("ARMC").</p> <p>The responsibilities of the Internal Auditors include providing independent and objective reports on the state of internal controls and the significant operating units in the Group to the ARMC, with recommendations for improvement to the control procedures, so that remedial actions can be taken in relation to weaknesses noted in the systems.</p> <p>The Internal Auditors are precluded from providing any services that may impair their independence or conflict with their role as Internal Auditors.</p> <p>To ensure that the responsibilities of Internal Auditors are fully discharged, the ARMC has established an Evaluation of Internal Audit Function Form, as guided by the Bursa Malaysia Corporate Governance Guide, to evaluate the performance of the Internal Auditors annually.</p> <p>The evaluation of the Internal Auditors for FY 2022 was conducted on 12 April 2023. Based on the evaluation, the ARMC concluded that the Internal Auditors have sufficient experience and resources to satisfy their terms of reference and adequately deliver quality services to the Group. The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operating effectively.</p> <p>During the financial year under review, the Internal Auditors have conducted review on the Group in accordance with the Internal Audit Plan. The Internal Auditors are also required to perform annual and periodic testing of the internal control systems to ensure that the system is robust.</p> <p>The details of the internal audit function are set out in the ARMC report in the Annual Report 2022.</p>
<b>Explanation for departure</b>	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

## Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group's internal audit function is outsourced to a professional services firm namely GovernanceAdvisory.com Sdn Bhd., headed by Mr Jason Tee, who holds Associate of the Institute of Internal Auditors (AIIA) &amp; B.C. (Hons) in Accounting. He has vast experience and exposure in the internal audit field. He was assisted by his engagement team of internal auditors in this assignment during the financial year under review. The Internal Audit firm appointed by the Company is independent of activities related to business operations and performs its duties in accordance with standards set by relevant professional bodies. The Internal Audit firm is free from any relationship or conflict of interest, which could impair its objectivity and independence.</p> <p>The Internal Auditors assist the Audit and Risk Management Committee in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives. With the internal audit function being put in place, remedial actions can be taken in relation to weaknesses identified and noted in the systems and controls of the respective operating units. The setting up of the internal audit function is geared towards increasing efficiency and better management of resources in all aspects of the Group's operations.</p> <p>The Internal Auditors adopt a risk-based approach in planning the internal audit review, based on the International Professional Practices Framework (IPPF), the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.</p> <p>The details of the internal audit function are elaborated in the Audit and Risk Management Committee Report in the Annual Report 2022.</p>
<b>Explanation for departure</b>	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		



### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that information is the lifeblood of capital market and effective communication between the Group and its stakeholders is imperative for informed decision-making. The Group also places strong emphasis on the importance of timely and equitable dissemination of information to shareholders and other stakeholders. Whilst the Group endeavours to provide as much information as possible to its stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.</p> <p>The communication channels used in the Company's engagement with its stakeholders include:</p> <ul style="list-style-type: none"> <li>a) The Company's website;</li> <li>b) Announcements to Bursa Malaysia Securities Berhad;</li> <li>c) Annual Reports;</li> <li>d) General Meetings; and</li> <li>e) Investor Relations.</li> </ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

**Practice 12.2**

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

<b>Application</b>	:	Not applicable – Not a Large Company	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the Annual General Meeting (“AGM”) as an invaluable platform for shareholders to engage both the Board and Senior Management in a productive dialogue and provide constructive feedback that contributes to the overall performance of the Group. The Board therefore endeavours to provide shareholders with adequate time to consider the resolutions that will be discussed and decided upon during the AGM and to facilitate informed decision-making by the shareholders.</p> <p>In this regard, the notice for the Second AGM will be given at least 28 days’ notice prior to the AGM to be held on 26 May 2023 and will be sent to the shareholders via email on 27 April 2023. In addition, the Company will also publish the Notice of AGM on its website, release to the public on the website of Bursa Malaysia Securities Berhad and advertise in a local newspaper.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.2**

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>As the Company was only listed on 18 July 2022, the upcoming Annual General Meeting (“AGM”) will be the Company’s first AGM as a public listed company.</p> <p>All Directors as well as the Chairman of the respective Board Committees (i.e. Audit and Risk Management Committee, Remuneration Committee and Nomination Committee) will be present at the forthcoming AGM of the Group to enable the shareholders to raise questions and concerns directly to the respective Directors and Board Committee Chairman.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The upcoming Annual General Meeting of the Company will be conducted virtually through live streaming and online remote voting using Remote Participation and Voting facilities via TIIH Online website at <a href="http://tiih.online">http://tiih.online</a> from the broadcast venue at Tricor Business Centre, Manuka 2 &amp; 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on 26 May 2023.</p> <p>The notice of annual general meeting to shareholders will contain the relevant information pertaining to the resolutions to be tabled and shareholders may contact the Company for clarification by contacting the personnel whose emails and telephone numbers are published at the Company's website.</p> <p>The Shareholders will be allowed to appoint any person(s) as their proxies to attend, participate, speak and vote in his stead at a general meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: As the Company was only listed on 18 July 2022, the upcoming Annual General Meeting ("AGM") will be the Company's first AGM as a public listed company.  The forthcoming AGM will be conducted virtually through live streaming and online remote voting using Remote Participation and Voting facilities via TIH Online website at <a href="http://tiih.online">http://tiih.online</a> from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on 26 May 2023.  The Chairman of the Board will ensure that the upcoming AGM support meaningful engagement between the Board, senior management and the shareholders. Sufficient opportunity will be provided to the shareholders to pose questions during the AGM and all the questions shall receive a meaningful response.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: As the Company was only listed on 18 July 2022, the upcoming Annual General Meeting (“AGM”) will be the Company’s first AGM as a public listed company.  The forthcoming AGM will be conducted virtually through live streaming and online remote voting using Remote Participation and Voting facilities via TIH Online website at <a href="http://tiih.online">http://tiih.online</a> from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on 26 May 2023.  Shareholders will be able to submit questions to the Company in advance of the AGM via TIH Online website. All questions received in advance and those posed real time during the AGM will be made visible to all meeting participants and answered by the Directors and the Management during the meeting.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: As the Company was only listed on 18 July 2022, the upcoming Annual General Meeting (“AGM”) will be the Company’s first AGM as a public listed company.  The Company will ensure that the minutes of the AGM to be uploaded on the Company’s website at <a href="http://www.ecosciencegroup.com">www.ecosciencegroup.com</a> within thirty (30) business days from the date of the AGM.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  



**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT  
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

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