



Ecomate Holdings Berhad

(Registration No.
202001036445 (1392766-X))

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BOARD CHARTER

BOARD CHARTER		
Prepared By:	Effective Date:	Version Number: 4.0
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Board of directors	14 June 2024	

Overview

1. The Board is primarily responsible for ensuring that Ecomate has an appropriate corporate governance structure aimed at creating and protecting shareholder value.
2. The Board is also responsible for ensuring that Ecomate Management recognises Ecomate's legal and other obligations to all legitimate stakeholders. "Stakeholders" are companies that are likely to feel a social, environmental, economic or financial impact from Ecomate's actions. They include shareholders, customers, suppliers, employees, government regulators and members of the communities where Ecomate operates and are affected by Ecomate's activities.
3. Ecomate's obligations to its Stakeholders require that appropriate accountability and control systems are in place.
4. This Charter explains Ecomate's commitment to corporate governance. It is not an "all inclusive" document and should be read as a broad expression of principles. The Board will review this Charter on an annual basis.
5. Ecomate endorses the Bursa Malaysia Securities Berhad ("Bursa") Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition (Bursa Listing Requirement)

The Ecomate Constitution

6. The Ecomate Constitution is Ecomate's key governance document. The Board ensures that it and Ecomate complies with the provisions of the Constitution.

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Compliance with Laws

7. As a public company listed on the Bursa, Ecomate must comply with the Company Act, the Main Market Listing Requirement of Bursa as well as all other applicable laws. Examples of applicable areas of regulation include:
 - a) Occupational health and safety legislation;
 - b) Employment related laws;
 - c) Environmental protection legislation;
 - d) Anti-discrimination legislation; and
 - e) Taxation legislation;
8. As a company operating in numerous jurisdictions, Ecomate must ensure that it is aware of and complies with all applicable laws in those jurisdictions.

Composition of the Ecomate Board

9. The Board is to Comprise:
 - a) At least two (2) Directors or one third (1/3) of the Board, whichever is higher, shall be independent directors as defined in the Listing Requirements of Bursa Securities. If a vacancy in Board results in non-compliance with the required composition, the vacancy must be filled within three (3) months (as prescribed in Rule 15.02 of Listing Requirements) and
 - b) Managing Director and Executive Director.
10. The Chairman is to be an Independent Non-Executive Director who is a Malaysian citizen.
11. The composition and size of the Board will be reviewed from time to time to ensure that it is appropriate, effectiveness, and is in compliance with regulations set by the authorities.
12. Pursuant to Rule 15.06 of Listing Requirements, the Directors must not hold more than five (5) directorships in the listed companies on Bursa Securities.
13. On boardroom diversity, the Board is supportive of the gender boardroom diversity recommended by MCCG. The NC will continuously review the Board composition taking into the consideration the appropriate competence, experience, character, integrity discharge his/her roles as a director. The intended outcome of an effective board is to be made objectively in the best interests of the Company taking into account diverse perspectives and insights.
14. The Board shall have at least one (1) woman director on the Board. The Board also shall endeavour to meet the target of 30% women Directors on the Board to bring in a diversity of perspectives and encourage women participation during Board deliberation and decision-making in line with Practice 5.9 of MCCG.

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Responsibilities and Duties

15. The Ecomate Board is responsible for setting the strategic direction of Ecomate and monitoring the implementation of that strategy by Ecomate Management, including:
 - a) Oversight of the Ecomate group, including its control and accountability systems;
 - b) Appointing and removing the Chief Financial Officer;
 - c) Appointing and removing the Company Secretary;
 - d) Board and Key Management development and succession planning;
 - e) Input into and final approval of corporate strategy;
 - f) Input into and final approval of the annual operating budget (including the capital management budget);
 - g) Approving and monitoring the progress of major capital expenditure, capital management and acquisitions/divestitures;
 - h) Monitoring compliance with all relevant legal, tax and regulatory obligations;
 - i) Reviewing and monitoring systems of risk management and internal compliance and controls, codes of conduct, continuous disclosure, legal compliance and other significant corporate policies;
 - j) At least annually, reviewing the effectiveness of Ecomate's implementation of its risk management system and internal control framework;
 - k) Monitoring Key Management's performance and implementation of strategy and policies, including assessing whether appropriate resources are available;
 - l) Approving and monitoring financial and other reporting to the market, shareholders, employees and other Stakeholders; and
 - m) Appointment, reappointment or replacement of the external auditor.
16. In discharging his/her duties, each Director must:
 - a) Exercise care and diligence;
 - b) Act in good faith in the best interests of Ecomate;
 - c) Not improperly use his/her position or misuse information of Ecomate; and
 - d) Commit the time necessary to discharge effectively his/her role as a Director.
17. All Directors (including Executive Directors) are entitled to be heard at all Meetings and should bring an independent judgement to be in decision-making.
18. Non-Executive Directors should confer at least annually without Management present.
19. At least once each year, the Directors will:
 - a) Review this Charter and approve any required amendments including those required to comply with the Main Market Listing Requirements of Bursa and
 - b) Review the Board's performance during the previous 12 months.

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Committees

20. To assist the Board in fulfilling its duties and responsibilities, it has established three committees:
 - a) Nominations Committee (“NC”);
 - b) Remuneration Committee (“RC”);
 - c) Audit & Risk Management Committee (“ARMC”)
21. Each Committee has a formal Charter and has been granted certain delegations.
22. Each Committee has an obligation to report on its Meeting to the Board and minutes of all Committee Meetings are made available to all Directors.

Nominations Committee

23. The Nominations Committee assists the Board in regard to:
 - a) Board appointments, re-elections and performance;
 - b) Diversity obligations;
 - c) Directors’ induction programs and continuing development;
 - d) Committee Membership; and
 - e) Succession of the Managing Director.

Remuneration Committee

24. The Remuneration Committee assists the Board in regard to:
 - a) The remuneration framework for Non-Executive Directors;
 - b) Remuneration and incentive framework, including any proposed equity incentive awards for the Managing Director, any other Executive Directors, Executive Committee Members and Senior Executives;
 - c) Recommendations and decisions (as relevant) on remuneration and incentive awards for the Managing Director, any other Executive Directors and Executive Committee Members; and
 - d) Strategic human resources policies.

Audit and Risk Management Committee

25. The Audit and Risk Management Committee assists the Board in regard to financial reporting, audit and risk management, including:
 - a) The integrity of the Ecomate Group’s financial reporting;
 - b) Compliance with legal and regulatory obligations;
 - c) The effectiveness of Ecomate Group’s enterprise-wide risk management and internal control framework; and
 - d) Oversight of the independence of the external and internal auditors.

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The Chairman

26. The Chairman:

- a) Is to be an Independent Non-Executive Director who is a Malaysian citizen;
- b) Is not to exercise the role of Managing Director of Ecomate; and
- c) Is not to have previously held the position of Managing Director of Ecomate;
- d) Is not to be a member of ARMC, RC & NC.

27. The Chairman is responsible for:

- a) Leadership of the Board;
- b) Overseeing the Board in the effective discharge of its supervisory role;
- c) The efficient organisation and conduct of the Board's function and Meetings;
- d) Facilitating the effective contribution of all Directors;
- e) Briefing of all Directors in relation to issues arising at Meetings;
- f) The promotion of constructive and respectful relations between Board Members and between the Board and Management;
- g) Committing the time necessary to discharge effectively his/her role as Chairman; and
- h) Scheduling regular and effective evaluations of the Board's performance.
 - (i) Setting the board agenda and ensuring that board members receive complete and accurate information in a timely manner; and
 - (ii) Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the board as a whole.

28. **Independence of Directors** (The description shall refer to the Main Market Listing Requirements Chapter 1 Independent Director)

Independent Directors means a director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of an applicant or listed company. Without limiting the generality of the foregoing, an independent director is one who –

- a) is not an executive director of the applicant, listed company or any related company of such applicant or listed company (each company is referred to as the "said Company");
- b) has not been within the last 3 years and is not an officer (except as a non-executive director) of the said Company. For this purpose, "officer" has the meaning given in section 2 of the Companies Act; but excludes a director who has served as an independent director in any one or more of the said company for a cumulative period of less than twelve (12) years;
- c) is not a major shareholder of the said corporation;
- d) is not a family member of any executive director, officer or major shareholder of the said Company;
- e) is not acting as a nominee or representative of any executive director or major shareholder of the said Company;
- f) has not been engaged as an adviser by the said Company under such circumstances as prescribed by the Exchange or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or company which provides

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professional advisory services to the said Company under such circumstances as prescribed by the Exchange; or

- g) has not engaged in any transaction with the said Company under such circumstances as prescribed by the Exchange or is not presently a partner, director or major shareholder, as the case may be, of a firm or company (other than subsidiaries of the applicant or the listed company) which has engaged in any transaction with the said Company under such circumstances as prescribed by the Exchange; or
 - h) has not served as an independent director in any one more of the said company for a cumulative period of more than 12 years from the date of his first appointment as an independent director.
29. Family ties and cross-directorships may also be relevant in considering interests and relationships which may compromise independence and should be disclosed by Directors to the Board.
 30. Ecomate, as the principle Malaysian Manufacturer, has commercial relationships with most, if not all, major entities in Malaysia. As such, in determining whether a Non-Executive Director is independent, simply being a Non-Executive Director on the board of another entity is not, in itself, sufficient to affect independence. Nevertheless, any Director on the board of another entity is expected to excuse him or herself from any meeting where that entity commercial relationship with Ecomate is directly or indirectly discussed.
 31. The above guidelines must be applied with common sense. Directors are best able to determine if they have an interest or relationship which is likely to impact on their independence. As such, each Director is expected to advise the Chairman immediately if he/she believes they may no longer be independent. Should the Chairman or any other Director have any concern about the independence of a Director, he/she must immediately raise the issue with that Director and, if the issue is not resolved, with the Board.
 32. Should the Chairman have any concern about his/her own independence, he/she must immediately raise the issue with the Board.
 33. Each Director must immediately disclose to the Chairman (with a copy to the Company Secretary) all information relevant for determining whether the Director is independent, including details of entities in which the Director has a material direct or indirect shareholding (or other interest), is an Executive Officer or is a Director.
 34. In the preparation of the Agenda for each Board Meeting, the Chairman and Company Secretary need to be sensitive to disclosed interests and consider whether it is appropriate to withhold part or all of an agenda item (including any relevant Papers) from any Director because of a potential or actual conflict. If the Chairman decides to withhold part or all of an agenda item from a Director, he/she must advise the Director at the time of dispatch of the relevant Board Paper.
 35. Directors are to inform the Chairman prior to accepting any new appointment to any entity's board.
 36. Where the independent status of a Director is lost, this is to be disclosed to the market via the Bursa in timely manner.
 37. 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.

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If the board intends to retain an independent director beyond nine (9) years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process in accordance with MCGG.

38. Independent Director who has served in any one or more of the said corporations for a cumulative period of more than 12 years from the date of his/her first appointment an Independent Director shall retire or re-designate as Non-Independent Director, in accordance with Main Market Listing Requirements.
39. Pursuant to Rule 15.05 of Main Market Listing Requirements, a candidate shall not be considered for directorships if he/she:
 - a) Has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a company;
 - b) Has been convicted by a court law, whether within Malaysia or elsewhere, of an offence, involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
 - c) Has been convicted by a court law of an offence under the securities laws of Malaysia or Act; within a period 5 years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.
40. The office of a Director shall become vacant if the Director:
 - a) Falls within the circumstances set out in Section 208 of the Act;
 - b) Is absent from more than 50% of the total board of directors' meetings held during a financial year; or
 - c) Is convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences set out in 35 above.

Access to Information, Independent Advice and Continuing Development

41. Management must provide the Board and Committee with information in a form, timeframe and quality that enables them to effectively discharge their responsibilities and duties. All Directors are to receive copies of Committee Papers.
42. Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. Any Director has the authority to seek any information he/she requires from any employee of the Ecomate and all employees must comply with such requests. Any significant issues raised by a Director are to be communicated to the Chairman, Managing Director or Company Secretary.
43. Any Director may take such independent legal, financial or other advice as they consider necessary, at Ecomate cost. Any Director seeking independent advice must first discuss the request with the Chairman who will facilitate obtaining such advice and, where appropriate, disseminate the advice to all Directors.
44. The Board should understand the Ecomate structure and operations and key developments affecting the Ecomate and may receive periodic, presentations to assist in achieving such an understanding.

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Appointment and Removal of Directors

45. The Board should be of a size and composition that is conducive to making decisions expediently, with the benefit of a variety of perspectives and skills, and in the best interest of the Ecomate as a whole rather than of individual shareholders or other stakeholders.
46. The Nominations Committee is responsible for making recommendations to the Board relating to the appointment and retirement of Directors.

Managing Director (“MD”)

47. The Managing Director is responsible for the day-to-day management of the Ecomate with all powers, discretions and delegations authorised, from time to time, by the Board.
48. The Managing Director is to have a formal Employment Agreement describing his/her term of office, duties, rights and responsibilities and entitlements on termination.

Written Resolutions

49. Written Resolutions:
 - a) are not to be forwarded to Directors until they are approved by the Chairman (and the Directors are to be informed that the Chairman has approved the proposed Resolution);
 - b) are to be sent to all Directors;
 - c) are not to be implemented if any Director advises that they have any reservations about the proposed Resolution (in which case the matter is to be considered at the next Board Meeting); and
 - d) are not to be implemented until:
 - i. assented to by at least half of the Directors; or
 - ii. if the Chairman considers it appropriate, assented to by all the Directors.

Ecomate Policy Framework

50. The Board oversees the Ecomate Policy Framework includes the Ecomate Code of Conduct and Ethics and other significant policies recommended by the Bursa.

Ecomate Code of Conduct and Ethics

51. The Ecomate Code of Conduct and Ethics is to be observed by all Directors, employees, consultants and any other person when they represent the Ecomate.
52. The Ecomate Code of Conduct and Ethics deals with compliance in the following areas of conduct:
 - a) Compliance with Laws, Regulations;

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- b) Personal Integrity (Criminal Record & Gifts and Entertainment);
- c) Alcohol and Substance Abuse;
- d) Harassment, Discrimination and Violence in the Workplace;
- e) Use of the Internet, Email and Electronic Media;
- f) Dealing with Ecomate Assets;
- g) Conflict of Interest;
- h) Encourage the Reporting of Unlawful or Unethical Behaviour;
- i) Confidential Information;
- j) Inside Information and Securities Trading;
- k) Health and Safety

Investor relations & corporate disclosure policy

- 53. Ecomate has also established a **Investor relations & corporate disclosure** policy, which is designed to promote effective communication with shareholders and encourage effective participation at General Meetings.
- 54. Beneficial owners of Ecomate shares are encouraged to contact the Ecomate Share Registry to arrange the direct receipt of shareholder materials.
- 55. As part of an effective shareholder communications strategy, Ecomate will:
 - a) maintain and keep current its Corporate Governance website; and
 - b) make available via its Investor website, materials presented at significant investor briefings.

Financial Results

- 56. As part of Ecomate continuous disclosure obligations, Ecomate must provide commentary on its financial results to enhance the clarity and balance of the report. This commentary should comply with the listing requirements.

Annual Report – Corporate Governance Statement

- 57. The Ecomate Annual Report is to include a Corporate Governance Statement which will contain the content required by the Bursa (as well as an explanation of any departures from the Bursa).

Notice of Meeting

- 58. Every Board Meeting can be convened by the Company Secretary by giving all Directors seven (7) days' notice in writing. A meeting may, with the consent of all Directors, be convened with less notice.

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External Auditor

59. The external auditor must attend the Annual General Meeting of Ecomate and must be available to answer questions about:
- a) the conduct of the audit;
 - b) the preparations and content of the Auditor's Report;
 - c) the accounting policies adopted by Ecomate in relation to the preparation of the financial statement; and
 - d) the independence of the external auditor in relation to the conduct of the audit.

SUSTAINABILITY

The Group is committed to achieving the United Nations 17 Sustainable Development Goals (SDG), by aligning its business strategies to meet the needs of its communities in line with the SDG agenda. The Group's commitment to strong Economic, Environment and Social practices is embedded throughout the organization. The ultimate objective is to achieve good financial performance in order to fuel long term sustainable growth and thereby, enhancing shareholders' value and contributing to the community it operates and nation building.

The Board shall ensure that the Group complies with any reporting and other requirements Imposed by Bursa and other relevant authorities with regard to sustainability matters.

REVIEW OF THE BOARD CHARTER

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

This Board Charter is updated and approved by the Board on 08 June 2023 and is made available on the Company's website, www.ecomate.com.my.