

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0239
COMPANY NAME : ECOMATE HOLDINGS BERHAD
FINANCIAL YEAR : February 28, 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.

| | |
|---|--|
| Application | : Applied |
| Explanation on application of the practice | <p>Ecomate Holdings Berhad ("ECOMATE" or the "Company") and its subsidiary companies ("ECOMATE Holdings" or the "Group") are headed by Board of Directors of Ecomate Holdings Berhad (the "Board") who leads and exercise effective controls over the Group's activities whereby collective decisions and/or close monitoring are conducted on matters relating to strategy, performance, resources, standard of conduct and financial matters.</p> <p>The Board's principal responsibilities include reviewing and adopting a strategic plan, overseeing the conduct of business, risk management, succession planning, developing and implementing processes to enable effective communication with stakeholders, etc.</p> <p>The Board has delegated the day-to-day of the Group's operations and activities to Management. The role of Management is to support the Group in running of daily operations and to implement business strategies of the Group, in accordance with the delegated authority by the Board.</p> <p>The Board delegates specific responsibilities to 3 Committees, namely Nominating Committee ("NC"), Remuneration Committee ("RC"), Audit and Risk Management Committee ("ARMC") (collectively referred as "Board Committees"). Terms of references ("TOR") have been established for all Board Committees.</p> <p>Board meetings are held on a quarterly basis to ensure the strategic directions of the Group are driven and the Group continues to support long term value creation and to discharge its duties and responsibilities.</p> |

| | | |
|---|---|--|
| | <p>A copy of the Board Charter and Terms of Reference(s) of the Board Committees are available on the Company's website at www.ecomate.com.my which further details the respective duties and responsibilities of Board and Board Committees.</p> | |
| <p>Explanation for departure :</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>Measure :</p> | | |
| <p>Timeframe :</p> | | |

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.

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Chairman, Tan Sri Datuk Hussin Bin Haji Ismail is responsible for Board effectiveness and to ensure that the conduct and working of the Board is in an orderly and effective manner. In fulfilling this role, the Chairman: Represent the Board to Shareholders and ensure effective communication with shareholders;</p> <ul style="list-style-type: none"> • Leading the Board in setting the Group's values and standards; • Ensure effective operation of the Board and its committees in conformity with the highest standards of corporate governance; • Sets the agenda for Board meetings, in conjunction with the Managing Director and ensures that adequate time is available for discussion of all items on the agenda; • Ensure that all Board committees are properly established, composed and operated; • Ensure comprehensive induction programmes for new directors and updates for all directors as and when necessary; and Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the board as a whole. |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

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.

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The roles of the Chairman and the Chief Executive Officer/Managing Director are held by different individuals and the responsibilities of the Chairman and Chief Executive Officer are clearly divided to ensure that there is a balance of power and authority.</p> <p>The Chairman of the Company is Tan Sri Datuk Hussin Bin Haji Ismail whose primary responsibility is to provide leadership to the Board, lead discussion on strategies and policies recommended by the Management, facilitate the orderly resolution of matters reserved for the board, and ensuring board effectiveness and its collective oversight over the Group.</p> <p>The Company's MD/CEO is Jason Koh Jian Hui whose primary responsibilities are to oversee the day-to-day running of business and operations of the Group and to implement the strategies and policies of the Board.</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

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> | |
| Application : | Applied |
| Explanation on application of the practice : | Chairman of the Board, Tan Sri Datuk Hussin Bin Haji Ismail, is not a member of the Audit and Risk Management, Nominating or Remuneration Committee. |
| Explanation for departure : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure : | |
| Timeframe : | |

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.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board is assisted by experienced and competent company secretaries. The company secretaries assist the Board in its administrative, governance and meeting proceedings. The company secretaries is well qualified and possess the requisite knowledge and experience to assist the Board in the discharge of their fiduciary duties and responsibilities. The company secretaries are qualified by virtue of Section 235(2) of the Companies Act 2016.</p> <p>The company secretaries organises and attends all Board and Board Committees meetings and ensures meetings are properly convened; accurate and proper records are maintained accordingly at the Registered Office of the Company, and produced for inspection, if required.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

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.

| | | |
|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>To facilitate the Directors’ time planning, a pre-scheduled annual calendar of Board meetings is circulated and confirmed by the Board prior to the commencement of each financial year, to provide ample time for the Directors to plan their attendance.</p> <p>The notices of meetings and agenda together with Board meeting papers are furnished to the Directors at least one (1) week before each Board meeting. This enables the Directors to prior peruse the matters to be deliberated upon. Further information, if any, are provided at the meeting for deliberation and informed decision making.</p> <p>The Board meeting papers include, among others, the following documents or information:</p> <ul style="list-style-type: none"> • reports of meetings of all committees of the Board including matters requiring the Board’s deliberation, approval and notation • performance reports of the Group, which include information on financial, strategic business issues and updates • major operational, financial, legal, regulatory and corporate issues • board papers for other matters for discussion or approval <p>The Company Secretary is responsible for recording the minutes of each meeting and such minutes are circulated for the Board’s review subsequent to each meeting.</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |

| | | | |
|------------------|---|--|--|
| Measure | : | | |
| Timeframe | : | | |

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.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has formally adopted a Board Charter that sets out the respective roles and responsibilities of the Board, Board committees and management and the standard of conduct expected of individual Directors.</p> <p>The Board Charter provides guidance for Directors and management regarding the responsibilities of the Board and its Board Committees and management in carrying out their stewardship role and in discharging their duties towards the Group as well as boardroom activities.</p> <p>The Board Charter will be periodically reviewed and updated in accordance with the needs of the Group and/or any new regulations that may affect the corporate governance practices of the Group and the responsibilities of the Board in discharging its governance function. The Board Charter was last reviewed and approved by the Board on 09 June 2022 .</p> <p>The Board Charter is made available on the corporate website at www.ecomate.com.my.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |

| | | | |
|------------------|---|--|--|
| Timeframe | : | | |
|------------------|---|--|--|

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.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has formalised a Code of Ethics and Code of Conduct which aims to achieving and maintaining high standard of ethics and integrity. In line with this, the Board strictly adheres to the Group's Code of Conducts and Ethics in discharging its oversight role effectively. The Code of Conducts and Ethics is accessible through the corporate website www.ecomate.com.my</p> <p>The Code of Conducts and Ethics require all Directors, officer and employees of the Company and subsidiary to observe high ethical business standards, and to apply these values in all aspects of the Group's business and activities, and act in good faith in the best interest of the Group as well as its shareholders.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

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.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Group has developed a Whistleblowing Policy to provide an avenue for any persons, including but not limited to the employees, suppliers as well as members of the public a safe channel of reporting of concerns about possible improprieties. The Whistleblowing Policy outlines the avenues and procedures for stakeholders to raise concerns any improper conduct, behaviour, transaction or activities within the Group and to enable prompt corrective actions and measures to resolve them effectively.</p> <p>The Whistle-Blowing Policy is available on its corporate website at www.ecomate.com.my</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

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.

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | Key responsibilities of the Board under the Board Charter include to review, approve and implement strategic initiatives that support long term value creation and sustainable strategic business development. Accordingly, the Board is ultimately responsible for ensuring that sustainability is integrated into the strategy setting of ECOMATE. In achieving this, the Board has incorporated key sustainability matters into meeting agendas of the Group's meetings. Our sustainability related activities undertaken and targets set out by the Company have been disclosed in the Sustainability Statement of the Company's Annual Report for the financial year ended 28 February 2022 ("FYE 2022"). |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

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.

| | | |
|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has established a transparent communication with the Group’s internal and external stakeholders to ensure they are aware of the Group’s sustainability strategies, targets and performances.</p> <p>Our engagement with stakeholders allows us to gain more complete understanding on our materiality issues and matters. Whilst, we are also able to capture the key aspects and impacts of our sustainability journey.</p> <p>The details pertaining to the stakeholders’ engagement are set out in the Sustainability Statement on pages 26 of the Annual Report FYE 2022.</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

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.

| | | | |
|--|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board is aware of the importance of sustainability creation and has identified its stakeholder engagement groups as well as relevant areas of sustainable management in the Company’s Sustainability Statement as set out in the Company’s Annual Report for the FYE 2022.</p> <p>The Board has also attended sustainability or Environmental, Social and Governance (“ESG”) related training to make effort and to ensure up-to-date on sustainability issues relevant to our company and business.</p> | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

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.

| | | | |
|--|---|---|--|
| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | Ecomate is listed on the ACE Market of Bursa Malaysia Securities Berhad on 8 November 2021. | |
| | | The Board and key senior management team recognise the importance of sustainability in addressing sustainability risks and opportunities and will include this as one of the criteria in the coming year’s evaluation exercise. | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

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.

| | |
|--|-------------|
| Application : | Not Adopted |
| Explanation on adoption of the practice : | |

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.

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Nominating Committee is responsible for the overall composition of the board. The key roles of the Nominating Committee, amongst others, are as follows:</p> <ul style="list-style-type: none"> • to assist the Board in ensuring that the board is of an effective composition, size and commitment to adequately discharge its responsibilities and duties; • to ensure appropriate selection criteria and processes and to identify and recommend to the Board, candidates for directorships of the Group and members of the relevant board committees; • evaluation of each Board Committee shall focus on the assessment of the structure, roles and responsibilities and performance of the respective Chairman, as well as its members against the relevant terms of reference; and • to ensure an appropriate framework and succession planning for the board. |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

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.

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board comprises six (6) Directors, of whom four (4) are Independent Non-Executive Directors. In this respect, the Board has complied with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad to have at least one-third (1/3) of the Board membership consisting of Independent Directors.</p> <p>The existing Independent Non-Executive Directors have accounted for 66% of the Board composition which is in line with the best practice recommended by Malaysian Code on Corporate Governance (“MCCG”)</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

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.

| | | | |
|--|---|---|--|
| Application | : | Not applicable - Step Up 5.4 adopted | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | None of the Independent Directors' tenure exceed a cumulative term of 9 years | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

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.

| | | |
|--|---|---|
| Application | : | Adopted |
| Explanation on adoption of the practice | : | <p>The Board has set in the Board Charter that the tenure of an independent director shall not exceed a cumulative term of 9 years. Upon completion of the 9 years, the independent director may continue to serve on the Board as a non-independent director.</p> <p>In the event such Director was to be retained as an Independent Director, the Board would have to justify in the notice convening the Annual General Meeting ("AGM") and seek shareholders' approval through a two-tier voting process.</p> |

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.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board appoints its members through a formal selection process. This process has been reviewed, approved and adopted by the Board. In assessing the suitability of its board member, new candidates will be considered and evaluated by the Nominating Committee based on, amongst others, their skills, knowledge, competency, experience, character, professionalism and integrity. The Nominating Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretary will ensure that all appointments are properly made, that all necessary information is obtained, as well as legal and regulatory obligation are met.</p> <p>The selection criteria used in the appointment process of senior management and directors focus on ensuring a good mix of skills, expertise and experience that are relevant for the Board to discharge its duties and responsibilities in an effective and competent manner. Apart from that, the Nominating Committee also considers the candidate's character, integrity and professionalism, as well as having a balanced mix of age, experience, skills, race, gender and cultural background to facilitate optimal decision-making by harnessing different insights and perspectives.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |

| | | | |
|------------------|---|--|--|
| Timeframe | : | | |
|------------------|---|--|--|

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.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The appointments of new Directors are undertaken by the Board as a whole after considering the recommendations of the Nominating Committee.</p> <p>The Nominating Committee may require to utilise independent sources to identify suitably qualified candidates. Nominating Committee shall undertake a thorough assessment of the candidate's criteria, which includes qualifications, skills, knowledge, expertise, experience, competence, integrity, personal attributes and the capability to devote the necessary time and commitment to the role.</p> <p>In the event that the selection process was based solely on the recommendations made by the Management, the existing Board member(s) or major shareholder(s), the Nominating Committee will explain why other sources were not used.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

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.

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The details of the directors who are due for retirement and offered themselves for re-election and information on the respective directors' interest, position, independence and experience have been clearly set out in the above-mentioned prospectus as well as the Company's Annual Report for FYE 2022.</p> <p>The performance of retiring directors will be assessed by the Nominating Committee and the Board before recommendation is made to the shareholders for consideration.</p> <p>For independent directors, the Nominating Committee assesses their relationship with the executives that might influence, or reasonably be perceived to influence their capacity to bring an independent judgement and to act in the best interests of the listed company as a whole.</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

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.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Nominating Committee is chaired by Independent Non-Executive Director, Ong Tian Soon and comprises wholly of Independent and Non-Executive Directors. The members of the Nominating Committee are:</p> <ol style="list-style-type: none">1. Ong Tian Soon (Chairman, Independent Non-Executive Director)2. Datuk Lee Ching Yong (Member, Independent Non-Executive Director)3. Lim Yik Hui (Member, Independent Non-Executive Director) <p>The Nominating Committee operates under its terms of reference and had one (1) meeting during the financial year ended 28 February 2022 which was attended by all members.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

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.

| | | |
|--|---|---|
| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>During the financial year, the Company has one (1) female director, namely Lim Yik Hui, who is acting as board members of the Company, representing 16.66% female director representation on the Board.</p> <p>The Board acknowledges the importance of boardroom diversity and takes cognisance of the recommendation of the MCCG 2021 to have 30% women directors.</p> <p>The Board has not adopted a Board Diversity Policy but will through the Nominated Committee consider gender diversity as part of its future selection criteria for candidates for directorship on the Board.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | Nevertheless, the Board supports the initiative to include woman representation on the Board to achieve a more gender diversified Board, henceforth, the Board is on the look-out for potential women directors and shall appoint additional women director as and when suitable candidates are identified. |
| Timeframe | : | |

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.

| | | |
|---|---|--|
| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>The Board acknowledges the importance of boardroom diversity and the recommendation of the MCCG pertaining to the establishment of a gender diversity policy.</p> <p>Insofar as board diversity is concerned, the Board does not have a gender diversity policy but the practice of equal gender composition has been implemented throughout the Group</p> <p>Nevertheless, the Board supports the initiative to include female representation on the Board to achieve a more gender diversified Board.</p> <p>Currently, one (1) out of six (6) members of the board are women directors, making the total female director representation on the Board of 16.66%.</p> <p>During the period under review, the Group does not have a diversity policy in relation to Management.</p> |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

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> | |
| Application | : Applied |
| Explanation on application of the practice | : <p>The Board through the Nominating Committee’s annual assessment exercise believes that the current composition of the Board brings the requisite mix of skills and core competencies required for the Board to discharge its duties effectively.</p> <p>The Board continuously reviews its size and composition with particular consideration on its impact on the effective functioning of the Board. The Nominating Committee is also tasked to review succession plans and boardroom diversity and to develop criteria for the assessment of the Board, Board Committees and individual Directors, including where appropriate, criteria on assessing the independence, contribution and performance of the Board and Board Committees’ members.</p> <p>In respect of the assessment for the financial year ended 28 February 2022 which was carried out via questionnaires, the Board was satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively. The Board was also satisfied that the Board composition in terms of size, the balance between Executive Directors, Non-Executive and Independent Directors and mix of skills was adequate.</p> |
| Explanation for departure | : |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |

| | | | |
|------------------|---|--|--|
| Measure | : | | |
| Timeframe | : | | |

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.

| | | |
|--|---|---|
| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>Such remuneration policy is not made available on the Group's corporate website as the Board is of the view that the confidentiality and sensitivity of the features of the Group's remuneration structure.</p> <p>The Remuneration Committee ("RC") is responsible for carrying out annual reviews where upon recommendations are submitted to the Board on the overall remuneration policy for directors, to ensure that the remuneration policy remains in support of its corporate objectives and shareholder value and is in tandem with its culture and strategy. The roles and responsibilities of the RC are set out in the RC's term of reference, which is published on the Group's website at : www.ecomate.com.my.</p> <p>The details of the Directors' remuneration on a named basis and paid by the Group (including the components of directors' fees, salary, bonus, benefit in-kind and other emoluments) during the FYE 2022 are disclosed in the Corporate Governance Overview Statement of the Company's Annual Report for FYE 2022.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

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.

| | |
|---|--|
| Application | : Applied |
| Explanation on application of the practice | <p>The Remuneration Committee is primarily responsible for the development and review of the remuneration policy and packages for the Board members. The Terms of Reference of the Remuneration Committee is published on the Group's website at www.ecomate.com.my The Remuneration Committee comprises wholly of Independent Non-Executive Directors. The members of the Remuneration Committee are as follows:</p> <ol style="list-style-type: none">1. Datuk Lee Ching Yong (Chairman, Independent Non-Executive Director)2. Ong Tian Soon (Member, Independent Non-Executive Director)3. Lim Yik Hui (Member, Independent Non-Executive Director) <p>The Remuneration Committee had one (1) meeting during the FYE 2022 which was attended by all members.</p> <p>The Remuneration Committee evaluates the remuneration packages of Senior Management and recommends for the Board's approval, the framework of executive remuneration of the Executive Director's remuneration package. To uphold the corporate governance and public confidence in the Group, Executive Directors should not be involved in deciding their own remuneration. In addition, Directors who are shareholders should abstain from voting at general meetings to approve their fees.</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/her fee.</p> |

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

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.

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | The remuneration of individual directors for FYE 2022 are set out in the Group's Annual Report. The remuneration breakdown of individual directors includes fees, salaries, bonuses, allowances, benefits in-kind and other emoluments. |

| No | Name | Directorate | Company ('000) | | | | | | Group ('000) | | | | | |
|----|--------------------------------------|------------------------------------|----------------|--------|-------|------------------|------------------|-------|--------------|--------|-------|------------------|------------------|-------|
| | | | Fee | Salary | Bonus | Benefits-in-kind | Other emoluments | Total | Fee | Salary | Bonus | Benefits-in-kind | Other emoluments | Total |
| 1 | Jason Koh Jian Hui | Managing Director | - | - | - | - | - | - | - | 360 | 270 | 29 | 83 | 742 |
| 2 | Koh Cheng Huat | Executive Director | - | - | - | - | - | - | - | 360 | 270 | 27 | 83 | 740 |
| 3 | Tan Sri Datuk Hussin Bin Haji Ismail | Independent Non-Executive Chairman | 60 | - | - | - | - | 60 | 60 | - | - | - | - | 60 |
| 4 | Datuk Lee Ching Yong | Independent Non-Executive Director | 48 | - | - | - | - | 48 | 48 | - | - | - | - | 48 |
| 5 | Lim Yik Hui | Independent Non-Executive Director | 48 | - | - | - | - | 48 | 48 | - | - | - | - | 48 |
| 6 | Ong Tian Soon | Independent Non-Executive Director | 32 | - | - | - | - | 32 | 32 | - | - | - | - | 32 |

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.

| | | |
|--|---|---|
| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | No disclosure of the top five (5) Key Senior Management's remuneration component on named basis is made herein due to confidentiality and sensitivity of each remuneration package. |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

| 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.

| | | |
|--|---|-------------|
| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | |

| 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.

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Audit and Risk Management Committee (“ARMC”) comprises three (3) members, all three (3) members are Independent Non-Executive Directors. Chairperson of the ARMC is Ms Lim Yik Hui.</p> <p>She is an Independent Non-Executive Director and a member of the Malaysian Institute of Accountants (“MIA”).</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

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.

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The ARMC has a 3-year cooling-off period policy for a candidate who is a former key audit partner before being appointed as a member of the Audit Committee.</p> <p>However, the said policy does not apply to the ARMC as none of the current ARMC members are the former partner of the external audit firm of the Group.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

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.

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The ARMC has policies and procedures to review, assess and monitor the performances, suitability and independence of the external auditors. Prior to the commencement of the annual audit, the ARMC will seek confirmation from the external auditors as to their independence.</p> <p>This independence confirmation would be re-affirmed by the external auditors to the ARMC upon their completion of the annual audit. These confirmations were made pursuant to the independence guidelines of the MIA.</p> <p>The ARMC also reviews the audit and non-audit services provided by the external auditors. In reviewing such services, the ARMC ensures that the independence and objectivity of the external auditors are not compromised.</p> <p>The Group's external auditors, Crowe Malaysia PLT, has confirmed their independence throughout the conduct of the audit engagement in accordance with the independence requirements set out in the By-50 Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.</p> <p>The ARMC was satisfied with the suitability of the external auditors of the Group based on the quality of audit, performance, competence and sufficiency of resources the audit team provided to the Group.</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |

| | | | |
|------------------|---|--|--|
| Measure | : | | |
| Timeframe | : | | |

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.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on adoption of the practice | : | <p>The ARMC is chaired by Independent Non-Executive Director, Lim Yik Hui, and comprises wholly of Independent and Non-Executive Directors. The members of the Audit Committee are:</p> <ol style="list-style-type: none">1. Lim Yik Hui (Chairwoman, Independent Non-Executive Director)2. Ong Tian Soon (Member, Independent Non-Executive Director)3. Datuk Lee Ching Yong (Member, Independent Non-Executive Director) |

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.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>Members of the ARMC are financially literate and are able to assist the Board in reviewing and ensuring the quarterly reports and annual audited financial statements are prepared in compliance with applicable financial reporting standards. The ARMC assists the Board to oversee and scrutinise the process of financial reporting and ensure accuracy, adequacy and completeness of financial reports.</p> <p>The ARMC Chairwoman, Ms Lim Yik Hui, is a member of Certified Practising Accountant (Australia) and a member of MIA.</p> <p>The Group is committed to ensure that all members of the ARMC undertake continuous professional development and have annual discussion with the external auditors on financial reporting development to keep themselves abreast of the relevant developments in accounting and auditing standards, practices, and rules. Particulars of the trainings attended by all Directors are disclosed in the Corporate Governance Overview Statement of the Group's Annual Report for FYE 2022.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |

| | | | |
|------------------|---|--|--|
| Timeframe | : | | |
|------------------|---|--|--|

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.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board recognised its overall responsibility for maintaining the Group’s system of risk management, internal control and reviewing its adequacy, integrity and effectiveness.</p> <p>The Group’s risk management and internal controls system is integrated into the Enterprise Risk Management Framework to provide overall guidelines and approach to the Group’s risk management. By incorporating key process pertaining to the identification, analysis, responding, monitoring and reporting of the Group’s risks, the framework enables the Group to identify, evaluate and mitigate any significant risk or arising structural weakness which may bring potential impact of achieving the business objectives. Any key risks assessed are reported to the ARMC for discussion during the RMC meeting.</p> <p>For detailed information, kindly refer to the Statement of Risk Management and Internal Control in the Group’s Annual Report for FYE2022.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

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.

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | The Board has disclosed features of the risk management and internal control framework within the Group in the Statement on Risk Management and Internal Control in the Group's Annual Report for FYE 2022. The Risk Management and Internal Control System is regularly reviewed by the Board to ensure that the system in place is appropriate, adequate and effective. |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

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.

| | | |
|--|---|--|
| Application | : | Adopted |
| Explanation on adoption of the practice | : | <p>The ARMC comprises three (3) Non-Executive Directors of whom all are Independent Directors.</p> <p>The ARMC is responsible to review the effectiveness of the processes. The ARMC will assist the Board in implementing and overseeing the risk management framework of the Group and reviewing the risk management policies formulated by Management and to make relevant recommendations to the Board for approval.</p> |

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.

| | | | |
|--|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Group’s internal audit function is outsourced to an independent assurance provider to provide an independent and objective assurance on the effectiveness of governance, risk management processes and internal control system of the Group.</p> <p>The outsourced internal audit function is independent and is to report directly to the ARMC. Executive Management is required to be present at ARMC meetings to respond and provide feedback on the audit findings and recommended improvements.</p> <p>In addition, Executive Management is also required to present to the ARMC in meeting, status updates on significant matters and changes in key processes that could impact the Group’s operations.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

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.

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Group has outsourced the internal audit function to a professional firm, SC LIM, NG & CO for the FYE 2022. The internal audit engagement team is led by the Executive Director, Mr Zee Kum Ming, an associate member of IIA Malaysia, Chartered Accountant Malaysia, member of MIA and Association of Chartered Certified Accountants.</p> <p>The Internal Auditor engagement team is free from any relationships or conflicts of interest with the Group. They are able to perform internal audit objectively, independently, proficiently and with due professional care.</p> <p>The Internal Auditor reviews were conducted in accordance the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

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.

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board is mindful on the importance to ensuring that communications to stakeholders and the investing public in general is timely and factual and are available on a fair and equal basis.</p> <p>The Board also aims to maintain a positive relationship with the different group of stakeholders through active two-way communication, and to promote and demonstrate a high standard of integrity and transparency through timely, accurate and full disclosure and to enhance the stakeholders' understanding of the Group, its core businesses and operations, thereby, enabling investors to make informed decisions in valuing the Group's shares.</p> <p>The Group leverages on information technology to create ease of access and convenience in all communications for stakeholder. Shareholders and investors are encouraged to access the Group's corporate website at www.ecomate.com.my to obtain the latest news, announcements and other corporate disclosures of the Company from time to time. Continuous improvement and development of the website will be undertaken by the Group to ensure easy and convenient access.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

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.

| | | |
|--|---|---|
| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | The Company does not fall under the category of a large company as defined under Malaysian Code on Corporate Governance 2021. |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

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.

| | | | |
|--|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The Company dispatched its Notice of AGM to shareholders at least twenty eight days before the AGM in 2022 and will continue to do so for the forthcoming AGMs. | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

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.

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has discussed and confirmed the tentative date of the Group's AGM in advance to ensure that all Directors have sufficient time to make necessary arrangements to attend the scheduled AGM.</p> <p>Shareholders are encouraged to attend and participate at the AGM by raising questions on the resolutions being proposed or on the Group's business operations in general. Shareholders who are unable to attend are allowed to appoint proxies. Shareholders and the public are welcomed to convey their concerns and queries to the Board.</p> <p>Barring unforeseen circumstances, the Board attempt to ensure that all Directors, particularly the chairperson of each Board Committee will attend the AGM to address and provide a meaningful response to any relevant questions and concerns raised by the shareholders.</p> <p>The External Auditors will also be invited to the AGM to respond to any accounting related queries raised by shareholders such as the conduct of the audit and financial statements of the Group, if any.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

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.

| | | |
|--|---|--|
| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | ECOMATE was only listed on 8 November 2021 and their AGM is scheduled to be held in July 2022. |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

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> | |
| Application : | Departure |
| Explanation on application of the practice : | |
| Explanation for departure : | ECOMATE was only listed on 8 November 2021 and their AGM is scheduled to be held in July 2022. |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure : | |
| Timeframe : | |

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.

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.

| | | |
|--|---|--|
| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | ECOMATE was only listed on 8 November 2021 and their AGM is scheduled to be held in July 2022. |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

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> | |
| Application | : Departure |
| Explanation on application of the practice | : |
| Explanation for departure | : ECOMATE was only listed on 8 November 2021 and their AGM is scheduled to be held in July 2022. |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure | : |
| Timeframe | : |

**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.

| |
|-----------------|
| Not applicable. |
|-----------------|