



## Ecomate Holdings Berhad

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DIRECTORS' FIT AND PROPER POLICY		
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## DIRECTORS' FIT AND PROPER POLICY

### 1. INTRODUCTION

Ecomate Holdings Berhad (“Ecomate”) has adopted the Director’s Fit and Proper Policy to ensure a formal, rigorous and transparent process for the appointment and re-election of directors and senior management of the Company and its subsidiaries.

In formulating this policy, the Company was obliged to comply with the requirements contained in the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“BURSA Securities”) and other applicable rules and regulations at the prevailing country to ensure compliance with obligations imposed.

### 2. OBJECTIVE

This Policy aims to guide the Company’s Board of Nomination Committee (“NC”) and Remuneration Committee (“RC”) and Board of Directors (the “Board”) in their review and assessment for candidates who are to be appointed onto the Board as well as directors who are seeking for re-election in complying with new Rule 15.19A of AMLR.

The Policy is to ensure that Directors must possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders.

The fit and proper criteria will be applicable at the time of appointment as a Director and on a continuing basis as all Directors of Ecomate and or its subsidiaries are expected to conduct themselves with highest integrity and professionalism as well as to comply with all relevant legal and regulatory obligations

### 3. SCOPE AND APPLICATION

The considerations underpinning of “fit and proper” criteria of Directors include but not limited to the following:

#### 3.1. Character and Integrity

##### 3.1.1 Probity

- compliant with legal obligations, regulatory requirements and professional standards
- have not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court
- have not been reprimanded or disqualified or removed by a professional or regulatory body in relation to matters in respect to the person’s honesty, integrity or business conduct.

**3.1.2 Personal integrity**

- have not perpetrated or participated in any business practices which are deceitful, oppressive, improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct
- service contract (i.e. in the capacity of management or Director) had not been terminated in the past due to concerns on personal integrity
- have no concurrent responsibilities or interest which would contribute to a conflict of interest situation or otherwise impair the ability to discharge duties and responsibilities as Director of the Company and/or its subsidiaries
- have not abused other positions (i.e. political appointment) to facilitate government relations for the company in a manner that contravenes the principles of good governance

**3.1.3 Financial integrity (soundness and solvency)**

- manages personal debts or financial affairs satisfactorily
- demonstrates ability to fulfil personal financial obligations as and when they fall due
- have not been subjected to a judgment debt with is unsatisfied either in whole or in part whether in Malaysia or elsewhere

**3.1.4 Good Reputation**

- are of good repute in the financial and business community
- have not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years
- have not been reprimanded by the Securities Commission Malaysia, Bursa Malaysia Securities Berhad, Suruhanjaya Syarikat Malaysia, Bank Negara Malaysia or any other regulatory authorities both local or abroad.
- have not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management

**3.2 Experience, competence and capability**

**3.2.1 Qualifications, training and skills**

- possesses education qualification that is relevant to the skill set that the Director is earmarked to bring to bear onto the boardroom (i.e. a match to the board skill set matrix)
- have a considerable understanding on the business and workings of a corporation
- have adequate and board knowledge including the United Nations Sustainable Development Goals on sustainability as well as Environment, Social & Governance (ESG) issues
- possesses general management skills as well as understanding of corporate governance best practices
- Financial literacy especially able to read and understand financial statements
- possesses leadership capabilities and a high level of emotional intelligence
- keep knowledge current based on continuous professional development

**3.2.2 Relevant experience and expertise**

- possesses relevant experience and expertise with due consideration given to past length of service, nature and size of business, responsibilities held, number of subordinates as well as reporting lines and delegated authorities

**3.2.3 Relevant past performance or track record**

- had a career of occupying a high-level position in a comparable organisation, and was accountable for driving or leading the organisation's governance, business performance or operations
- possesses commendable past performance record as gathered from the results of the board effectiveness evaluation

**3.3 Time and commitment**

**3.3.1 Ability to discharge role having regard to other commitments**

- able to devote time as a board member, having factored other outside obligations including concurrent board positions held by the Director across listed issuers and non-listed entities (including not-for-profit organisations)

**3.3.2 Participation and contribution in the board or track record**

- demonstrates willingness to participate actively in board activities
- demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom
- manifests passion in the vocation of a Director
- exhibits ability to articulate views independently, objectively and constructively
- exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others

**4. RESPONSIBILITIES OF THE BOARD, NC AND RC**

4.1 The Board, NC and RC shall be directly responsible for conducting assessments on the fitness and propriety of directors and making decisions on their appointments.

4.2 Based on the high-level and baseline considerations outlined in Clause 3 above, the Board, and NC and RC may discuss and determine prescriptions and specifications based on its specific circumstances, needs and requirements. Such as specification on the minimum years of experience needed that, a candidate must have at a senior level as a director, C-suite member, head of department to be considered for an appointment to the Board. These considerations should be periodically assessed and reviewed by the Board, NC and RC to ensure their relevance and alignment with the organisation needs and structure.

**5. THE ASSESSMENT**

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

5.2 The NRC will assess each person for a new appointment or re-appointment of Directors based on the criteria set under Clause 3 before recommending to the Board for approval. The Board Evaluation Form is set out in **Annexure 1** (The questionnaires are based on the Corporate Governance Guide 4<sup>th</sup> Edition).

5.3 For re-appointment of Directors, the Directors will be evaluated based on the Board Evaluation Form. The NC has the power not to recommend to the Board the re-appointment of retiring Directors who do not meet the policy requirement.

5.4 For the appointment of new Director, the person required to complete the Candidate for Directorship Profile. The candidates will also be required to completed a self-declaration of fit and proper form and authorised the Company to perform background check, if necessary , which may cover previous employment verification, professional reference checks, education confirmation and /or criminal record and credit checks. Such Prospective Directors Information as set out in **Annexure 2**.

## **6. NON DISCLOSURE OF SENSITIVE AND CONFIDENTIAL INFORMATION**

6.1 Whilst the Company should disclose the customised considerations and expectation in this policy, The Company will not disclose any sensitive and confidential information.

6.2 The information gathered from results of the assessments are part of the Company's internal documents and shall not be disclosed or provided to any other party.

## **7. SUBJECT TO PERIODICAL REVIEW OF THE POLICY**

7.1 The NC and/or RC shall recommend any change to the Policy as the NC and/or RC deems appropriate to the Board for approval. The terms of the Policy shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code on Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad and/or any other regulatory requirements, applicable law enforced at the time being.

7.2 The changes to the terms of the Policy shall be subject to the approval of the Board

The Directors' Fit and Proper Policy has been adopted by the Board on 6 June 2022.

**ANNEXURE 1**

# **Directors' Evaluation Form**

## DIRECTORS' FIT AND PROPER POLICY

The Evaluation Form provides ratings from one (1) to four (4), or 'yes' and 'no', with the indicators illustrated below, to be responded in relation to the nature of the questions:

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Yes, always	Yes, most of the time	Yes, but seldom	No
or			
4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Above average	Average	Below average	Poor
or			
Yes <input type="checkbox"/>			No <input type="checkbox"/>
Yes			No

Where a particular criterion is deemed not applicable, it shall be indicated as "Not Applicable" in the comment box.

Name of Director: \_\_\_\_\_

Assessment criteria	Comments			
	4	3	2	1
<b><u>Section A : Fit and Proper</u></b>				
1. Has not been questioned, of his/her honesty, integrity, professional conduct or business ethics/practices which are deceitful, oppressive or improper and investigated on complaints lodged.	<input type="checkbox"/> Yes			<input type="checkbox"/> No
2. Has shown willingness to maintain effective internal control systems and risk management practices.	<input type="checkbox"/> Yes			<input type="checkbox"/> No
3. Possesses relevant qualification, knowledge, experience and ability to understand the technical requirements, risk and management of the company's business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b><u>Section B : Contribution and performance</u></b>				
4. Probes management to ensure management has taken, and suggests management to take into consideration the varying opportunities and risks whilst developing strategic plan (this plan may or may not be in writing as long as minutes of meeting provide a discussion of such strategy).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Probes management when there are red flags/concerns which could, amongst others, indicate possible non-compliance of regulatory requirements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Provides logical honest opinions on issues presented and is not afraid of expressing disagreement on matters during the meeting, if any.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Receives feedback from board and/or committee and incorporates feedback obtained into decision-making process in an objective manner.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Defends own stand through constructive deliberations at board and/or committee meetings, where necessary.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Tackles conflicts and takes part in proposing solutions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Offers practical and realistic advice to board and/or committee discussions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Takes initiative to demand for additional information, where necessary.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Tests quality of information and assumptions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Reviews and relates short-term concerns to long-term strategy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Contributes to risk management initiatives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Assessment criteria	Comments				
	4	3	2	1	
15. Contributes personal knowledge and experience into the consideration and development of strategy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
16. Facilitates objective-oriented decision-making process.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
17. Prioritises context of issues to be in line with objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
18. Effectively and proactively follows up on areas of concern.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
19. Demonstrates willingness to devote time and effort to understand the company, its business and displays readiness to participate in events outside the boardroom such as site visits.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
<b><u>Section C: Calibre and personality</u></b>					
20. Acts in good faith and with integrity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
21. Attends meetings well prepared and adds value to board and/or committee meetings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
22. Works constructively with peers, the company secretary and senior management.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
23. Offers insight to matters presented with requisite knowledge and skills, and shares information.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
24. Encourages others to get things done, is decisive and action-oriented.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
25. Articulates in a non-confrontational and comprehensible manner.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
26. Understands individual roles and responsibilities and ensures contribution is contemporary with developments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
27. Behaviour engenders mutual trust and respect within the Board and with other key officers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
28. Communicates effectively with shareholders.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
29. Constructively challenges and contributes to the development of strategy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
30. Scrutinises the performance of management in meeting agreed goals and objectives and monitors reporting of performance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
31. Satisfies himself/herself that financial information is accurate and financial controls and systems of risk management are robust and defensible.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
<b>Other Comments</b>					

**ANNEXURE 2**

Name of Company: ECOMATE HOLDINGS BERHAD (the “Company” or “Ecomate”)

**Part A: Personal Details**

1	<b>Full Name</b>	
2	<b>Date of Birth</b>	
3	<b>NRIC No / Passport No</b>	
4	<b>Citizenship</b>	
5	<b>Permanent Address</b>	
6.	<b>Correspondence Address (if different from above)</b>	
7	<b>Telephone No</b>	
8	<b>Email Address</b>	

**Part B: Education Background and Work Experience**

No	Questions	Answer
1	<b>Educational Qualification</b> (List all chronologically from the latest qualification)	
2	<b>Work Experience</b> (List all chronologically from the latest experience to the last)  (Please use separate paper if required)	

No	Questions	Answer
3	What do you consider to be your core area(s) of expertise?	

**Part C: Directorship**

1	List of Current and Past Directorship (Please use separate paper if required)	
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**Part D: Declaration**

No	Questions	Yes	No
1	Do you have any relationship with any Directors in the ECOMATE?		
		If yes, please state details:	
2	Do you have any interest, both direct and indirect in the ECOMATE?		
		If yes, please state details:	
3	Do you have any relatives currently working in the ECOMATE?		
		If yes, please state details:	

Prospective Directors Information

No	Questions	Yes	No
4	Have you ever been committed of any commercial and criminal crimes including but not limited to traffic offence under the Laws of Malaysia?		
		If yes, please state details:	
5	Are you currently and/or the company where you are a director been notified of any impending disciplinary or criminal proceedings or of any investigations, which might lead to such proceedings?		
		If yes, please state details:	
6	Have you or the company where you are a director contravene any provision made by or under any written law such as the Anti- Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, the Malaysian Anti-Corruption Commission Act 2009, the Companies Act 2016, Capital Markets and Services Act 2007 and any other applicable laws?		
		If yes, please state details:	

No	Questions	Yes	No
7	Have you or the company where you are a director been reprimanded by the regulators namely, Securities Commission Malaysia and Suruhanjaya Syarikat Malaysia?		
		If yes, please state details:	
8	Have you involved in any business or relationship which could materially pose a conflict of interest or interfere with your judgment when acting as a director which is disadvantageous to the company?		
		If yes, please state details:	
8	Are you currently a bankrupt?		
		If yes, please state details and steps taken to discharge yourself from the liability:	

No	Questions	Yes	No
9	Do you hold a post in any political party?		
		If yes, please state details:	

**Part E: OTHERS**

No	Questions	Your Answer
1	What kind of time commitments do you now have for your current activities?	
2	What would your expectations be for the time necessary for ECOMATE Board?	

I, ..... (NRIC/Passport No:.....) hereby declare that the above responses are true and correct, as to the best of my knowledge. I further authorise the Company to conduct background check, if necessary, which may consist of prior employment verification, professional reference checks, education confirmation and/or criminal record and credit checks for the purpose of my appointment as a Director of **Ecomate Holdings Berhad**.

Signature:.....

Name:.....

Date:.....