

ECM LIBRA GROUP BERHAD

Board Charter

The Board of Directors (“Board” or “Directors”) is accountable and responsible for the business performance and affairs of ECM Libra Group Berhad (“ECM” or “Company”) and its group of companies (collectively referred to as “Group”). The Board practises a high level of governance in the discharge of its duty to protect and safeguard the interests of the Company’s shareholders, customers and all other stakeholders.

All members of the Board are expected to show good stewardship, act professionally and uphold the values of integrity, sincerity, ethical conduct and corporate accountability with due regard to their fiduciary duties and responsibilities.

Roles and Responsibilities of the Board

The roles and responsibilities of the Board include and not limited to the following:

- set, approve and monitor the strategic direction of the Group and ensure the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- oversee and evaluate the conduct and performance of the Group’s businesses and supervise and assess performance of management to determine whether the business is properly managed;
- together with management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- identify and manage principal risks affecting the Group and recognise the business decisions involve the taking of appropriate risks;
- ensure there is a sound framework for internal controls and risk management;
- set the risk appetite within which management is expected to operate and ensure there is an appropriate risk management framework to identify, analyse, manage and monitor significant financial and non-financial risks;
- review and decide on senior management’s proposals for the Group and monitor its implementation by senior management;
- ensure senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and senior management;
- ensure procedures are in place to enable effective communication with stakeholders;
- ensure all the Directors are able to understand financial statements and form a view on the information presented; and
- ensure the integrity of the Company’s financial and non-financial reporting.

The Board has a formal schedule of matters reserved for its purview, amongst others, the following:

- approval of corporate mission statement and broad strategies including business plans and annual budgets;
- approval of new ventures, investments and divestments in a company, business, property or undertaking;
- approval of corporate or financial exercise/restructuring;
- approval of setting-up of new subsidiaries and joint venture partnerships;
- approval of material transactions before implementation;
- appointment of Directors and Chief Executive Officer of the Company;
- recommendation of Directors’ fees and benefits payable for Non-Executive Directors to be approved by shareholders; and
- approval of remuneration packages of the Executive Director, Chief Executive Officer and key senior management officers of the Group.

Roles and responsibilities of the Chairman

The positions of Chairman and Chief Executive Officer of the Company are held by different individuals to ensure there is a balance of power and authority. The Chairman of the Board leads the Directors in discharging the Board's responsibilities and oversight of management whilst the responsibility of managing the Group's business activities is delegated to the Chief Executive Officer.

The Chairman of the Board has been appointed and leads the Directors in discharging the Board's responsibilities and oversight of management. The responsibilities of the Chairman, amongst others, are as follows:

- lead the Board in establishing and monitoring good corporate governance practices in the Company;
- lead the Board and ensure its effectiveness of all aspects of its role;
- ensure the efficient organisation and conduct of the Board's function and meetings;
- lead Board meetings and discussions and act as a facilitator to ensure effective contribution of all Director at the Board meetings and discussions;
- encourage active participation and allowing dissenting views to be freely expressed;
- promote constructive and respectful relations between Directors, and between the Board and Management; and
- ensure effective communication with shareholders and relevant stakeholders and that their views are communicated to the Board.

Roles and responsibilities of Chief Executive Officer/Executive Directors/Management

The Chief Executive Officer is accountable to the Board and is responsible for growing the Group's overall business and providing direction in the implementation of strategies, policies and business plans approved by the Board.

All matters not specifically reserved to the Board and necessary for the day-to-day operations of the Group are delegated to the Chief Executive Officer, Executive Directors and management which include, among others:

- formulate, recommend and implement the strategic objectives of the Group;
- translation of the strategic business plan approved by the Board into annual operating and financial plans of the business;
- manage and fully utilise the Group's human, physical and financial resources and other available resources to achieve the Group's objectives;
- discharge duties and responsibilities within the delegated authority limits set by the Board;
- perform the day-to-day responsibility and manage all aspects of the day-to-day running of the Group and ensure the Group conforms with relevant laws and regulations and its compliance framework;
- develop, implement and manage the Group's risk management and internal control system and operate within the acceptable risk level set by the Board;
- develop, implement and update policies and procedures;
- keep abreast with industry and economic trends and updates in the environment where the Group operates in; and
- furnish the Board with accurate, timely and clear information to enable the Board to perform its duties and make decision.

Roles and responsibilities of Non-Executive Directors

The principal roles and responsibilities of Non-Executive Directors include the following:

- attend substantially all the meetings of the Board and substantially all the meetings of each Committee on which the Director serves;
- review, before attending meetings of the Board or Committees, all materials provided by the Company relating to matters to be considered at the meetings;
- contribute actively in Board discussion and deliberation of issues by providing sound advice based on the Directors' experience and specific expertise they bring to the Board;
- update their knowledge and enhance their skills through appropriate continuing education programmes, so as to keep abreast of industry issues, market development and trend; enable them to sustain their active participation in board deliberations;
- abide by all the fiduciary and statutory duties and responsibilities of a Director as prescribed under the Companies Act 2016 and the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"); and
- devote sufficient time in carrying out their duties responsibly.

Roles and responsibilities of Independent Directors

The roles and responsibilities of Independent Directors include the following:

- ensure there is a proper check and balance on the Board by providing unbiased and independent views in Board deliberations and decision making of the Board, taking into consideration the interest of all shareholders, not only the interests of a particular function or group, but also the minority shareholders;
- improve corporate credibility and governance standards, functioning as a watchdog, and make significant contributions to the Company's decision making by bringing in the quality of detached impartiality; and
- make independent assessment of information, reports or statement and provide an independent view and demonstrate objectivity in reviewing the management's proposals at meetings.

Board Committees

The Board has established two Committees to assist in the discharge of its duties and each Committee has its own specific terms of reference. The Board Committees undertake in-depth deliberation of the issues delegated to it before tabling its recommendations to the Board. The Board Committees are:

1. Board Audit and Risk Management Committee; and
2. Nomination and Remuneration Committee.

The Board Audit & Risk Management Committee ("BARMC") is responsible to review and approve the internal audit plan and statutory audit plan and deliberate on the audit reports; and to evaluate internal controls, including risk management and compliance matters; to review the quarterly interim financial statements and year-end financial statements of the Group and the Company, and to consider related party transactions and conflict of interest situation that arose, persist or may arise within the companies in the Group and the measures taken to resolve, eliminate or mitigate such conflicts. The BARMC is also responsible to review the scope, competency and resources of the internal audit function, as well as the appointment/re-appointment of the external auditors and their fees.

The Nomination and Remuneration Committee (“NRC”) is responsible for assessing and recommending new nominees to the Board, re-appointment of retiring Directors as well as Directors to fill seats on Board committees; assessing the effectiveness of the Board and the Board committees; review the required mix of skills, experience and other qualities which Directors should bring to the Board; and evaluating the fitness and propriety, performance and contribution of each individual director. The NRC is responsible to assess the independence of independent directors based on the criteria established by the NRC in line with the Listing Requirements of Bursa Securities, the Company’s policy on tenure of independent directors and as suggested in Exhibit 8 of the Corporate Governance Guide: Towards Boardroom Excellence (2nd Edition) issued by Bursa Securities. The NRC is also responsible to assess and recommend to the Board the appointment of Executive Director and Chief Executive Officer, oversee the succession of Board members and Chief Executive Officer and evaluate the performance of Chief Executive Officer . The NRC is also responsible for assessing and recommending to the Board the remuneration of Directors, Chief Executive Officer and key senior management officers, and the payment of performance bonus and salary increments for employees of the Group.

The full text of the terms of reference of BARMC and NRC are set out in [Appendix I](#) and [Appendix II](#) respectively.

Composition and Board Balance

1. Composition and size

The Board shall comprise individuals who are experienced and competent and with an adequate and mix of skills and support by a good balance of Independent Directors.

Pursuant to the Company’s Constitution, the number of directors of the Company shall not be less than two (2) directors and not more than twelve (12).

The composition and size of the Board shall be reviewed from time to time to ensure its appropriateness and compliance with the relevant rules and regulations that govern the Company.

2. Boardroom Diversity

The Board supports the policy of non-discrimination on gender, ethnicity and age for the Board and the workforce. The Board will only set aside specific targets in relation to gender and ethnicity and age diversity if the situation so requires and if it is in the best interest of the Company. The Board aims to maintain a diversity of expertise, skills, competency, personalities and attributes among the Directors so as to provide a comprehensive range of perspectives and experiences, resulting in improved decision making. All appointment to the Board will be based on the candidate’s skills, knowledge, experience, capabilities, the contribution he/she would bring to the Board and the Company and other relevant factors that may be determined by the Board from time to time.

The Board recognises the challenges in achieving the right balance of diversity on the Board. This will be done over time, taking into account the present size of the Board, the valuable knowledge and experience of the present Board members and the evolving challenges to the Company over time.

3. Independence of Directors

The Board must annually assess the independence of each Independent Director in light of the interests they have disclosed. The assessment also takes into consideration the criteria laid out in the Listing Requirements of Bursa Securities and such other factors as the Board determines appropriate to take into account in determining whether the Director is independent of management; and free of any business or other relationships that could materially interfere with, or could be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

4. Retirement and re-election of Directors

The Constitution of the Company provides that at least one-third of the Directors are subject to retirement by rotation at each Annual General Meeting ("AGM") and that all Directors shall retire at least once in every three years. The Constitution of the Company also provides that a Director who is appointed by the Board in the course of the year shall be subject to re-election at the next AGM to be held following his appointment.

Quorum, Proceedings and Attendance of Meetings

The Board meets on a quarterly basis and additionally as and when required, with a formal schedule of matters specifically reserved for its deliberation and decision. The quorum, proceedings and attendance of meetings are governed by the Constitution of the Company and the Listing Requirements of Bursa Securities.

Time Commitment

The Directors are aware of their responsibilities and will devote sufficient time to discharge such responsibilities. Each member of the Board holds not more than five (5) directorships in public listed companies in accordance with the Listing Requirements of Bursa Securities. The Directors will inform the Board on their new appointment as director in other companies. These ensure that their commitment, resources and time are focused on the affairs of the Company and enable them to discharge their responsibilities effectively. The meeting schedule for the ensuing financial year will be provided to the Directors in advance before the end of the current financial year so that the Directors are able to plan ahead and ensure sufficient time will be devoted to discharge their duties and responsibilities. The Directors are encouraged to participate in continuing training programme and/or to devote time in informal continuing professional development through reading articles relating to topics relevant to the business of the Group.

Access to Information and Independent Advice

Board members are provided with the notice, setting out the agenda and the comprehensive Board papers in a timely manner prior to Board meetings. This is to ensure and enable the members of the Board to discharge their duties and responsibilities competently and in a well-informed manner. All members of the Board have access to the advice and support of suitably qualified and competent Company Secretary. The Board shall also have access to advice of independent professional advisers at the expense of the Company. The Board will discuss and collectively decide on seeking such independent advice when the need arises. They also have unlimited access to all information with regard to the activities of the Group during deliberations at the Board meetings as well as through regular interaction with the members of the senior management who are obliged to provide the Board with complete, well-focused and adequate information in a timely manner.

Investor Relations and Communication with Stakeholders

The Board is committed to provide all stakeholders with timely and equitable access to material information of the Company that is comprehensive and accurate. In line with this commitment and for transparency and accountability, material corporate disclosures shall be deliberated by the Board before being released to the public.

The Company's website, www.ecmlibra.com, serves as the main mean of communication of the Company to reach its shareholders and general public. To maintain transparency and to promote timely dissemination of corporate disclosures, the Board shall ensure all information of the Company made public to Bursa Securities including its annual report and quarterly financial results and corporate announcements and also other corporate information such as Board Charter, Code of Ethics, terms of reference of Board Committees and minutes of general meeting are made available on the Company's website.

The Board shall ensure contact details of the Company including an email address are published on the website of the Company in order for stakeholders to contact the Company if they require further details of the Company. Any email correspondences from stakeholders will be escalated by the Company Secretary to the relevant senior management or the Board who will respond to the stakeholders accordingly. The Board shall ensure the contact details of the Company Secretaries, the liaison persons of the Company to whom shareholders can refer to if they require any assistance on matters affecting their interests, are also available on the website of the Company.

The Company's annual general meeting serves as the main forum for dialogue with shareholders. The Board shall ensure notice of annual general meeting to the shareholders contains sufficient information relating to the resolutions to be discussed and decided at the annual general meeting and be sent out at least twenty-eight days prior to the meeting. The Board encourages shareholders to attend the annual general meeting, communicate with the Board, participate in the question and answer session and vote on all resolutions set out in the notice of meeting. The Board also encourages shareholders who are unable to attend the annual general meeting to appoint proxy/proxies (not more than two proxies) to attend, speak and vote on their behalf.

Directors' Code of Conduct and Ethics

All Directors commit to adhere to, comply with and uphold the provisions as set out in the Directors' Code of Conduct and Ethic to ensure the Group operates with integrity and complies with the relevant laws, rules and regulations.

The Directors' Code of Conduct and Ethic is set out in [Appendix III](#).

Review of the Board Charter

The Board Charter shall be reviewed periodically and updated to take into consideration the needs of the Company as well as any development in relevant rules, regulations and laws that may have an impact on the discharge of the Board's duties and responsibilities. The Board Charter shall be made available on the website of the Company.