

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7176
COMPANY NAME : TPC PLUS BERHAD
FINANCIAL YEAR : December 31, 2021

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>The Board of Directors ("Board") of TPC Plus Berhad ("Company") is mindful of its overall responsibility for the corporate governance and management of the business and affairs of the Company.</p> <p>In meeting the objectives and goals of the Company:</p> <ol style="list-style-type: none">1. The Board has established Board committees i.e. Audit Committee, Nomination and Remuneration Committee and Risk Management Committee to assist the Board in the execution of its responsibilities. <p>The functions, duties and responsibilities of the Board committees are set out in the respective charter of the Board committees. All these charters can be found on the Company's website, www.tpc.com.my</p> <ol style="list-style-type: none">2. The Company's Board Charter has clearly defined and separated the roles and responsibilities of the Management and the Board of Directors which are headed by 2 different individuals for check-and-balance and unfettered decision making.3. The Company has taken into consideration the economic, environmental and social factors, the details of which can be found in the Management Discussion and Analysis published in the Company's annual report.4. The Board has approved the Anti-Corruption Policy, Employee Code of Conduct and Ethics, and Whistle Blowing Policy, all of which can also be found on the Company's website, to promote an ethical and good corporate governance culture within the Company:5. Approval Limit Matrix, Capital Expenditure and Disposal Policy, Risk Management Framework and Review and Disclosure Procedures for Related Party Transactions were also approved by the Board to guide, monitor and control the day-to-day business operations in safeguarding the shareholders' and other stakeholders' interests.

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 1.2

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 Board of Directors is headed by YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Haji Yusop, an Independent Non-Executive Director who has no conflict of interest with the Company. The Chairman's background and experience can be found in the Directors' Profile of the Company's Annual Report.</p> <p>The Chairman will liaise with the Company Secretary in setting out the agenda of meetings, ensure board papers include sufficient information and presented in a clear manner and distributed to every Board members before meetings.</p> <p>Representatives from the Management are always invited to join in the Board meetings to brief, explain and/or update the Board on matters on finance, management and operation. After the briefing is done, the Chairman will ensure that sufficient time is set aside for deliberations. Decisions will be made based on a majority consensus of the Board members.</p> <p>The Chairman will liaise with the Secretary and Management to have all the charters, policies and procedures and terms of reference reviewed and amended where necessary and thereafter approved by the Board. The Chairman will ensure that all corporate governance practices are guided by these charters, policies and procedures and terms of reference adopted.</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 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The position of the Chairman and the Managing Director of the Company are held by two different individuals with YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Haji Yusop heading the Board and responsible for the leadership, effectiveness, conduct and governance of the Board. Mr Lim Yew Chua, on the other hand, is the Managing Director who oversees and manages the day-to-day running of the businesses, makes operational decisions and implements the Board's policies and decisions.</p> <p>The roles and responsibilities of the Chairman and Managing Director are set out in the Company's Board Charter which can be found on the Company's website.</p> <p>The roles and responsibilities are clearly separated in order to maintain effective supervision and accountability of the Board and the Management, to ensure a balance of power and authority and also for proper, effective and unfettered decision making.</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 1.4

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	: The Chairman of the Board of Directors, YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Haji Yusop, had on 24 November 2021 resigned from the Audit Committee and the Nomination and 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	:	Choose an item.
Explanation on application of the practice	:	<p>The Company Secretary is a member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and qualified to act as a Company Secretary under Section 235(2) of the Companies Act 2016.</p> <p>Besides managing the logistics of all Board, Board Committee and general meetings, the Company Secretary also ensures that provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act 2016 and the Malaysian Code on Corporate Governance are complied with where applicable and that all secretarial records are properly kept and updated.</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>The Directors, individually or as a whole board, have unrestricted access to the Management and all information relating to the Company and its Group in the discharge of their duties.</p> <p>The Chairman will liaise with the Company Secretary on the agenda of the meeting and the notice and materials of the meeting will be sent out 7 days before the meeting. However, when there are instances where meeting materials could not be ready in time, these materials will be forwarded to the Directors less than 7 days before the meeting.</p> <p>Draft minutes will be sent to the Directors, Management and/or Auditors for comments. All comments received will be noted and/or incorporated in the Minutes and the final Minutes will be tabled at the next meeting for confirmation.</p> <p>For urgent matters which require the Board's decision outside of Board Meetings, Directors' Circular Resolution together with all relevant materials will be circulated for the Board's consideration and approval. All circular resolutions approved by the Board will be tabled for notation at the next Board Meeting.</p> <p>All minutes and resolutions passed by the Board are properly kept at the registered office of the Company.</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 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	:	Choose an item.
Explanation on application of the practice	:	<p>The Board Charter was first adopted by the Board on 12 December 2013 and was periodically reviewed and updated in accordance with the needs of the Company and in accordance with any new regulations that may have an impact on the discharge of the Board's responsibilities. The last review was carried out on 24 November 2021.</p> <p>Apart from setting out the roles and responsibilities of the Board and the Management, the Board Charter also outlines the code of conduct of Directors and matters reserved for the Board.</p> <p>The Board Charter is made available on the Company's website</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 of Directors has approved and established an Employee Code of Conduct and Ethics ("Code") for managing conflicts of interest and preventing the abuse of power, corruption, insider trading, bribery, money laundering and misconducts.</p> <p>Employees who come across any unlawful or unethical situation or any suspected violations of the Code may raise their concerns in accordance with the Company's Whistle Blowing Policy.</p> <p>Details on the Code and the Whistle Blowing Policy can be found on the Company's website at www.tpc.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 3.2

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 in place a Whistle Blowing Policy to encourage transparent and ethical conduct within the Group. The main objectives of the Whistle Blowing Policy are:</p> <ul style="list-style-type: none"> • To provide avenues for employees to disclose any acts of wrongdoing. • To assure the employees that they will be protected from reprisals, discrimination or being victimised for whistleblowing in good faith. • To investigate and take necessary action on any reported wrongdoing. <p>The Company will not entertain any anonymous disclosure. The person who wishes to whistle-blow any improper conduct within the Group is required to disclose his or her name, NRIC number and contact telephone number (mobile, home and/or office). These identity details will be kept confidential to afford protection to the whistleblower.</p> <p>The whistleblower remains liable for his or her own conduct and is responsible to ensure that the disclosure is made in good faith and free from any malicious intent.</p> <p>The Whistle Blowing Policy was last reviewed and approved by the Board on 29 June 2021 and is made available on the Company's website at www.tpc.com.my</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 4.1

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	:	<p>Our sustainability strategy is led by the Board of Directors of the Company. The Board, will be supported by the Sustainability Committees who will oversee all sustainability initiatives and matters in TPC. This structure is formed for effective monitoring for sustainability matters within the organization.</p> <p>The Sustainability Committees comprising of a few selected top management including three (3) of the executive directors and two (2) senior management. This committees will provide guidance and directions to the Sustainability Working Group consists of head of divisions (HODs) from respective functions in the formulation of sustainability objectives and targets by evaluation the EES matters within the Company's businesses and strategies.</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 4.2

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	:	We conduct materiality assessment every year to ensure that the material matters are timely and relevant. This process will enable committees and working group to identify and prioritise the issues that matter the most to our business and stakeholders. All management and stakeholders will have to complete the Questionnaires for Sustainability Report every year. In determining sustainability priorities, we combined the views from the management and stakeholders in order to identify and address key sustainability issues which reflect significant economic, environmental and social impact on our business.
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 4.3

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>Our sustainability strategy is led by the Board of Directors of the Company. The Board, will be supported by the Sustainability Committees who will oversee all sustainability initiatives and matters in TPC. This structure is formed for effective monitoring for sustainability matters within the organization.</p> <p>Sustainability meetings will be conducted at least once annually to update the Board on the development and progress.</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	:	Applied
Explanation on application of the practice	:	<p>Stakeholders' engagement is a process of consultation, communication, dialogue and exchange of views so that management can align business practices to drive long term sustainability and shareholders value.</p> <p>This engagement process can help the company to build the relationship and trust necessary to develop and implement corporate sustainability strategies. These meaningful engagements can also help the Company to improve our sustainability policy and strategies to meet the needs of our stakeholders.</p> <p>The Company will send a copy of Questionnaire for Sustainable Report (Appendix 1) to stakeholders for them to participate actively in discussion with management. The process is free from coercion and manipulation. Physical meeting can be conducted to engage stakeholders, if necessary in order to collect more information.</p> <p>All important information from stakeholders will then be collected to conduct materiality assessment.</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 4.5- 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	: Adopted
Explanation on adoption of the practice	<p>Our sustainability strategy will be led by the Board of Directors of the Company, and will be implemented and monitored within the following governance structure for the effective monitoring and execution of sustainability initiatives in the Group. The Board, will be supported by the Sustainability Committees who will oversee all sustainability initiatives and matters in TPC.</p> <div style="text-align: center;"> <p>BOARD OF DIRECTORS</p> <p>↑</p> <p>SUSTAINABILITY COMMITTEES</p> <p>↑</p> <p>SUSTAINABILITY WORKING GROUPS</p> </div> <p>The Sustainability Committees comprising three (3) executive directors and two (2) senior management from the Group.</p> <p>Sustainability Committees established to carry out the below:-</p> <ul style="list-style-type: none"> • Provide guidance in the formation of sustainability objectives, targets, priorities and policies by evaluating economic, environmental, social and governance risks and opportunities within the Group. • Formulation of sustainability objectives and targets by evaluation the EES matters within the Company's businesses and strategies. • Report to the Board on all sustainability matters of the Group

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>All the Directors of the Company will retire from office at least once in every 3 years. During the year, the Nomination and Remuneration Committee ("NRC") had proposed to the Board of Directors that the retiring Directors i.e. Mr Liang Ah Lit @ Nyah Chung Mun and Mr Chong Peng Khang who are both Independent Directors be proposed for re-election at the forthcoming 19th Annual General Meeting ("AGM").</p> <p>The Board was satisfied that the evaluation results showed that both Mr Liang Ah Lit @ Nyah Chung Mun and Mr Chong Peng Khang who both have served on the Board for less than 9 years are free from management and any personal, family or economic interests. They are also able to exercise independent judgement and not affected by any influences that could jeopardise their objectivity.</p> <p>Therefore, the Board has endorsed and will seek shareholders' approval for the re-election of Mr Liang Ah Lit @ Nyah Chung Mun and Mr Chong Peng Khang at the 19th AGM.</p> <p>The motion to re-elect the retiring Directors will be put separately for voting by way of a poll at the 19th AGM.</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 5.2

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	:	The Board consists of 7 Directors out of which 4 are Independent Directors. Hence, there is a majority of Independent Directors on the Board.	
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 5.3

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	:	Applied	
Explanation on application of the practice	:	None of the Independent Directors of the Company has served on the Board for more than 9 years.	
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 5.4 - 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	:	Not Adopted
Explanation on adoption of the practice	:	<p>According to the Company's Board Charter, the tenure of an Independent Director shall not exceed a term limit of 9 years.</p> <p>Upon completion of the 9 years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director.</p> <p>If the Board wishes to retain such a Director as an Independent Director, the Board must justify and seek annual 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 acknowledges the importance of Board diversity to the effective functioning of the Board and has formally adopted a Diversity Policy on 24 November 2021.</p> <p>While promoting diversity, due recognition to integrity, financial and technical knowledge, experience and skill-sets of the Director concerned and business imperative still remain a priority.</p> <p>The appointment of a new Director is a matter for consideration and decision by the full Board upon recommendation from the Nomination and Remuneration Committee. There was no new appointment to the Board in 2021.</p> <p>The Nomination and Remuneration Committee had reviewed and recommended to the Board for the re-election of Mr Lim Yew Chua and Mr Chong Chee Siong who were to retire by rotation at the 18th Annual General Meeting held on 29 June 2021. Mr Lim Yew Chua and Mr Chong Chee Siong who had offered themselves for re-election were re-appointed as Directors by the shareholders at the said AGM.</p> <p>All the Directors have complied with Paragraph 15.06 of the Listing Requirements by not holding more than 5 directorships in public limited companies and are able to devote sufficient time and commitment based on the current level of directorship(s) held.</p> <p>All the Directors had attended all the 5 Board meetings held during 2021 and the Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company.</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 Board of Directors did not appoint any new Director during the financial year ended 31 December 2021.</p> <p>Nevertheless, the Company's Board Charter clearly states that in identifying candidates for appointment of Directors, the Board should not solely rely on recommendations from existing Board members, Management or major shareholders and may utilise independent sources to identify suitably qualified candidates.</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>Shareholders may refer to the following sections in the Company's Annual Report 2021 for information of the Directors who are seeking for re-election at the 19th Annual General Meeting:</p> <ol style="list-style-type: none"> 1. Directors' Profile; 2. Explanation Notes under the Notice of Annual General Meeting; and 3. Corporate Governance Overview Statement. <p>A statement that the Board of Directors supports the re-election is contained in items 2 and 3 above.</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 5.8

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

Application	:	Applied
Explanation on application of the practice	:	<p>YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Haji Yusop, the Chairman of the Board of Directors, has resigned as a member of the Nomination and Remuneration Committee on 24 November 2021.</p> <p>The Nomination and Remuneration Committee now comprises the following persons who are all Independent Non-Executive Directors and chaired by Mr Chong Chee Siong:</p> <p><u>Nomination and Remuneration Committee</u></p> <p>Mr Chong Chee Siong, Chairman Mr Liang Ah Lit @ Nyah Chung Mun Mr Chong Peng Khang</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	:	<p>The Board acknowledges the best practice of the Malaysian Code on Corporate Governance for the Board to comprise at least 30% women Directors.</p> <p>In heeding this, the Board of Directors has accepted the proposal from the Nomination and Remuneration Committee to appoint a female Director by 1 June 2023.</p> <p>The Board will, through the Nomination and Remuneration Committee, continue to consider gender diversity as part of its future selection of members of the Board when there is a vacancy so as to achieve the 30% women representation.</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 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board acknowledges the importance of gender diversity and recognises the many benefits that it can bring.</p> <p>The Board has, upon the recommendation from the Nomination and Remuneration Committee, on 24 November 2021 formally approved and adopted a Diversity Policy to promote, develop and maintain a well-balanced mix of Directors, officers and employees to achieve effective stewardship, management and operation of the Group.</p> <p>Despite what have been said, the Board is also aware that diversity should be in tandem with expertise, experience and skills and not just gender alone. Hence, the Board will only appoint a female Director as and when there is vacancy or when a qualified and suitable candidate is identified.</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 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.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>During the financial year ended 31 December 2021:</p> <ol style="list-style-type: none">1. The Nomination and Remuneration Committee had conducted an evaluation on the Board of Directors and the Audit Committee using the Board Evaluation Form and Audit Committee Evaluation Form;2. The Board had evaluated the Board Committees and their individual members by using the Board Committee Evaluation Form and Board Skills Matrix Form; and3. The Independent Directors had also completed the Independent Directors' Self-Assessment Checklist. <p>All the aforesaid evaluation or assessment forms used were adopted from the Corporate Governance Guide.</p> <p>All the questions in the forms were discussed and answered based on the consensus of the members of the Nomination and Remuneration Committee or the Board as a whole except for the Board Skill Matrix Form and the Independent Directors' Self-Assessment Checklist which are answered by the individual Directors i.e. on a self-assessment basis.</p> <p>The Nomination and Remuneration Committee is satisfied that the Board as a whole possesses a diverse set of skills, experience and expertise which are necessary to govern the Group in relation to, among others, the poultry and animal feed business, sales and marketing, legal practice, financial and accounting, corporate governance, risk management and internal controls.</p> <p>The results of the assessments also indicated that overall the Board, the Board Committees and the Directors had been discharging their duties and responsibilities effectively. The Nomination and Remuneration Committee had also recommended for the Board to endorse the re-election of the Directors who are retiring by rotation at the Company's forthcoming 19th Annual General Meeting.</p>
	:	
	:	

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

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	:	Applied
Explanation on application of the practice	:	<p>The Nomination and Remuneration Committee has recommended a Remuneration Policies and Procedures for Directors and Senior Management ("Remuneration Policy") to the Board on 24 November 2021. After some deliberation and amendments made, the Remuneration Policy was subsequently approved by the Board on 28 February 2022.</p> <p>A copy of the Remuneration Policy is accessible on the Company's website, www.tpc.com.my</p> <p>The current practice of the Company is for the Executive Directors to be remunerated by taking into consideration their experience, responsibilities and contributions to ensure that the Company attracts and retains Directors of the quality needed to manage the business of the Group.</p> <p>In addition to attendance allowance for attending meetings, Non-Executive Directors are paid an annual fees which is a fixed sum and not by a commission on or percentage of profits or turnover of the Company.</p> <p>Directors' fees and attendance allowance payable are subjected to shareholders' approval at the Company's Annual General Meeting.</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 7.2

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 Board of TPC Plus Berhad has established a Nomination Committee and a Remuneration Committee on 11 May 2004 which were subsequently merged as the Nomination and Remuneration Committee ("NRC") effective from 20 April 2012.</p> <p>Mr Cong Chee Siong was appointed the Chairman of the NRC on 24 November 2021 in place of YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Haji Yusop, the Chairman of the Board, who has resigned from the NRC on the same day.</p> <p>The NRC comprises the following persons who are all Independent Non-Executive Directors.</p> <ol style="list-style-type: none"> 1. Mr Chong Chee Siong, Chairman. 2. Mr Liang Ah Lit @ Nyah Chung Mun 3. Mr Chong Peng Khang <p>The Nomination and Remuneration Committee Charter which sets out, among others, the responsibilities of the Nomination and Remuneration Committee is published on the Company's website, www.tpc.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

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	:	<p>The remuneration of the Directors for the financial year ended 31 December 2021 is disclosed on named basis in the table follow.</p> <p>The Directors' fees is subject to shareholders' approval at the 19th Annual General meeting to be held on 30 May 2022.</p> <p>The attendance allowance paid to Non-Executive Directors was approved by the shareholders at the 18th Annual General Meeting held on 29 June 2021.</p> <p>All the Independent Non-Executive Directors do not sit on the board of any subsidiaries of the Group.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fees	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fees	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Lim Yew Chua	Executive Director	36	-	-	-	-	-	36	-	-	120	-	-	15.32	135.32
2	Lim Yew Kwang	Executive Director	36	-	-	-	-	-	36	-	-	120	-	-	15.32	135.32
3	Datuk Lim Yew Piau	Executive Director	36	-	-	-	-	-	36	-	-	120	-	-	15.32	135.32
4	Tan Sri Datuk Seri (Dr.) Abu Seman bin Haji Yusop	Independent Director	36	2	-	-	-	-	38	-	-	-	-	-	-	-
5	Liang Ah Lit @ Nyah Chung Mun	Independent Director	36	2	-	-	-	-	38	-	-	-	-	-	-	-
6	Chong Chee Siong	Independent Director	36	2	-	-	-	-	38	-	-	-	-	-	-	-
7	Chong Peng Khang	Independent Director	36	2	-	-	-	-	38	-	-	-	-	-	-	-

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	:	<p>The Company has identified its Top 5 Senior Management as follows:</p> <ol style="list-style-type: none"> 1. Mr Lim Yew Chua, Managing Director 2. Mr Lim Yew Kwang, Executive Director 3. Datuk Lim Yew Piau, Executive Director 4. Mr Cham Chee Song, Feedmill Manager 5. Mr Lim Chin Yoong, Senior Grading Store Supervisor <p>The breakdown of the remuneration of the 3 Executive Directors on a named basis are disclosed under Practice 8.1 above.</p> <p>The Board has opted not to disclose on a named basis the other 2 Senior Management's remuneration in the bands of RM50,000 as the Board is of the view that the disclosure of such information may put the Company in a disadvantage position given the keen competition for talent in the industry which the Group operates.</p> <p>On top of that, the Company is not able to obtain consent from the 2 Senior Management personnel for the disclosure of their personal data to the public at large</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 8.3 - 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	:	As explained in Practice 8.2

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>Mr Chong Peng Khang, a Chartered Accountant of the Malaysian Institute of Accountants and a fellow member of the Association of Chartered Certified Accountants, is the Chairman of the Audit Committee.</p> <p>The chairmanship of the Board is held by another Independent Non-Executive Director i.e. YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Haji Yusop.</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>It is provided in the Company's Audit Committee Charter that a former key audit partner must observe a cooling-off period of at least three years before he can be appointed as a member of the Audit Committee.</p> <p>So far, no former key audit partner was appointed as a Director of the Company nor as a member of any Board Committee.</p> <p>The Audit Committee Charter can be found on the Company's website, www.tpc.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

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 Board of Directors has approved and adopted an External Auditors Assessment Policy which covers the selection and appointment of External Auditors, annual assessment, independence and non-audit engagement.</p> <p>The Audit Committee has during the financial year ended 31 December 2021 evaluated the suitability, objectivity and independence of the Company's External Auditors, Crowe Malaysia PLT, by using the External Auditor Evaluation Form provided in the Corporate Governance Guide.</p> <p>The Audit Committee is satisfied with the outcome of the evaluation and is of the opinion that Crowe Malaysia PLT is independent and have sufficient resources and expertise to continue to act as the Company's External Auditors.</p> <p>The Audit Committee had recommended to the Board of Directors to endorse the re-appointment of Crowe Malaysia PLT as the Company's External Auditors for the financial year ending 31 December 2022 at the forthcoming 19th Annual General Meeting.</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 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The appointment of the Audit Committee members was made in accordance with the Audit Committee Charter which states that all members of the Committee shall be Non-Executive Directors with a majority being Independent Directors.</p> <p>YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Haji Yusop, the Chairman of the Board, has resigned as a member of the Audit Committee on 24 November 2021.</p> <p>The Audit Committee now comprises the following members who are all Independent Non-Executive Directors:</p> <ol style="list-style-type: none">1. Mr Chong Peng Khang, Chairman2. Mr Liang Ah Lit @ Nyah Chung Mun3. Mr Chong Chee Siong

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>The profile of each Audit Committee member is disclosed in the Directors' Profile of the Company's Annual Report.</p> <p>All the Audit Committee members have attended and will continue to attend trainings that will aid them in the discharge of their duties and responsibilities more effectively. The trainings attended by the Audit Committee members during the financial year ended 31 December 2021 are disclosed in the Corporate Governance Overview Statement in the Annual Report 2021.</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 acknowledges its overall responsibility for:</p> <ul style="list-style-type: none"> • maintaining good risk management practices; • reviewing and overseeing the adequacy and effectiveness of the Group's risk management and internal controls system implemented by the Management; and • establishing risk appetite of the Group based on the corporate objectives, strategies, external environment, business nature and product lifecycle. <p>The Risk Management Committee has been delegated and assigned with the duty to provide assurance to the Board on the adequacy and effectiveness of risk management and internal control systems of the Group.</p> <p>The Risk Management Committee will carry out its duty and responsibility as defined in the Risk Management Committee Charter and will be guided by the Risk Management Framework approved by the Board.</p> <p>The risk management and internal control system put into effect by the Management is an ongoing process in identifying, evaluating and managing significant risks faced by the Group. The Board recognised that such a system is designed to manage and reduce, rather than eliminate, the risks identified to acceptable levels.</p> <p>Therefore, the system of risk management and internal control implemented can only provide reasonable and not absolute assurance against the occurrence of any material misstatement, error or loss.</p> <p>Further information on the Group's risk management and internal control is made available in the Statement on Risk Management and Internal Control of the Company's Annual Report.</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	:	<p>The Company has put in place Risk Management Policy, Risk Management Reporting Structure and Risk Assessment, Communication and Monitoring Processes which were reviewed by the Risk Management Committee and approved by the Board of Directors.</p> <p>The Risk Management Policy sets out, among others, the Group's principles towards risks, risk appetite and the need for ongoing identification, evaluation, management and control of risks.</p> <p>The Risk Management Reporting Structure outlined the risk reporting structure and the respective roles and responsibilities of the committees, working group and officers.</p> <p>The Risk Assessment, Communication and Monitoring Processes provides how risks can be identified, rated and controlled. Residual risk heat map is used to identify and evaluate the risks and thereafter decide what actions shall be taken against each risk so as to ensure the residual risks are kept at an acceptable level in the most cost effective manner.</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 10.3 - 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 Board has established a Risk Management Committee which comprises a majority of Independent Directors as follows:</p> <ol style="list-style-type: none">1. YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Haji Yusop, Independent Director, Chairman2. Mr Liang Ah Lit @ Nyah Chung Mun, Independent Director3. Mr Chong Chee Siong, Independent Director4. Mr Chong Peng Khang, Independent Director5. Mr Lim Yew Chua6. Mr Lim Yew Kwang7. Ms Lim Chian Harn

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 Company has outsourced its internal audit function to an independent consulting company, Needsbridge Advisory Sdn Bhd, to assist the Board in monitoring and reviewing the effectiveness of the risk management, internal control and governance processes within the Group.</p> <p>To preserve independence and objectivity, the outsourced internal audit function is not permitted to act on behalf of Management, decide and implement management action plan, perform on-going internal control monitoring activities (except for follow-up on the progress of action plan), authorise and execute transactions, prepare source documents on transactions, have custody of assets or act in any capacity equivalent to a member of the Management or an employee.</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 Audit Committee had during the financial year ended 31 December 2021 evaluated the Internal Auditors by using the Evaluation of Internal Audit Function form adopted from the Corporate Governance Guide.</p> <p>From the evaluation, the Audit Committee was satisfied that the Internal Auditors are independent and have sufficient resources and experience to continue carrying out the internal audit function effectively.</p> <p>The internal audit are carried out, in all material aspect, in accordance with the International Professional Practices Framework (“IPPF”) established by the Institute of Internal Auditors Global (“IIA”).</p> <p>The Engagement Director of the outsourced internal audit function, Mr Pang Nam Ming, is a Certified Internal Auditor (“CIA”) accredited by the IIA and a professional member of the Institute of Internal Auditors Malaysia (“IIAM”).</p> <p>2 internal audit engagement were carried out during the financial year ended 31 December 2021. Each engagement was carried out by a senior consultant or consultant assisted by a manager. The whole engagement was oversight by the Engagement Director. All the internal audit personnel are free from any relationships or conflicts of interest which could impair their objectivity and independence.</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 Company's Annual General Meeting remains the principal forum for dialogue and interaction with shareholders during which the shareholders may seek clarifications and comment on the Group's businesses and financial performance.</p> <p>Other than Annual General Meeting, material information and updates, quarterly financial results, Circular to Shareholders and Annual Report are disseminated to shareholders, other stakeholders and the public at large via announcements to Bursa Malaysia Securities Berhad. These information are accessible through Bursa's and the Company's website.</p> <p>In conserving the environment and to improve sustainability, printed copies of the Company's Circular to Shareholders and Annual Report will only be sent out to shareholders upon request.</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	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
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 13.1

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	:	<p>The notice of 18th Annual General Meeting ("AGM") scheduled to be held on 31 May 2021 was sent to the shareholders on 30 April 2021 which is more than 28 days before the meeting.</p> <p>Due to the full lockdown Movement Control Order imposed by the Malaysian Government, the 18th AGM was subsequently postponed to 29 June 2021.</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 13.2

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	:	All the Directors of the Company had participated at the 18th Annual General Meeting which was held virtually i.e. the Chairman of the Board of Directors and the Chairman of the respective Board Committees were present to answer and explain any questions and matters raised by the shareholders.	
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	:	Applied
Explanation on application of the practice	:	<p>The 18th Annual General Meeting was held on a fully virtual basis through online meeting platform provided by Agmo Digital Solutions Sdn Bhd via its website at https://web.vote2u.my .</p> <p>Shareholders were encouraged to go online, participate and vote remotely without physically attending the AGM by using the remote participation and voting ("RPV") facilities. Shareholders who were not able to participate were encouraged to appoint the Chairman of the meeting as their proxy and indicate the voting instructions in the Proxy Form.</p> <p>The poll results were duly verified by Aegis Communication Sdn Bhd, an Independent Scrutineer, and announced by the Chairman at the AGM. The details of the voting results were announced to Bursa Malaysia Securities Berhad on the same day.</p> <p>The Company recognises that cyber threats are constantly evolving and becoming increasingly sophisticated and complex over time. The Company will continuously improve its monitoring and control of cyber threats through effective security measures to defend the Company's systems against new forms of attack from external agents.</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 13.4

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.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>In the Administrative Guide for the 18th Annual General Meeting ("AGM") which was sent out together with the notice of the AGM, shareholders were informed that they may send any questions in relation to any item on the Agenda of the 18th AGM in advance to the Company's registered office or via e-mail before the time fixed for holding the AGM or any adjournment thereof. Therefore, shareholders were given sufficient time to pose any questions they may have.</p> <p>Questions can also be raised in the query box of the RPV by typed text on a real-time or "live" basis throughout the AGM before the announcement of the closure of the Q&A session by the Chairman.</p> <p>All the Directors, Senior Management and External Auditors had participated at the AGM to answer all questions raised by shareholders.</p> <p>It was also stated in the Administrative Guide that the Chairman of the Meeting will endeavour to respond to all questions received at the AGM and should there be a time constraint, the responses will be e-mailed back to the shareholders within 7 working days from the conclusion of the AGM.</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 13.5

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	:	Applied
Explanation on application of the practice	:	<p>The Company has been holding its Annual General Meeting ("AGM") at the Company's registered office in the past and this has soon become familiar to most shareholders since many past general meetings were held at the same venue.</p> <p>However, due to the outbreak of the COVID-19, the 18th AGM was conducted fully virtual through online meeting platform provided by Agmo Digital Solutions Sdn Bhd via its website at https://web.vote2u.my .</p> <p>Shareholders were provided with Administrative Guide which sets out step by step instructions to guide shareholders on registration, login, raise questions and voting using the RPV facilities provided by Agmo Digital Solutions Sdn Bhd.</p> <p>Typed questions from shareholders submitted online via the RPV were moderated before forwarded to the Chairman to avoid repetition.</p> <p>Questions posted by shareholders will be made visible to all meeting participants during the AGM and answered online.</p> <p>Further details on how shareholders may raise questions in the conduct of this fully virtual meeting are set out in the explanation to Practice 13.4 of this Report.</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 13.6

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 :	Minutes of the 18th Annual General Meeting was not circulated to the shareholders. Nevertheless, key matters discussed at the meeting was published on the Company's website for shareholders' information.
<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.

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