

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 3107  
**COMPANY NAME** : Fima Corporation Berhad  
**FINANCIAL YEAR** : March 31, 2024

### **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 PURSUANT 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"><li>1. The primary role of the Board of Directors (Board) is to lead and control the Company and its subsidiaries' (FimaCorp Group or Group) operations and affairs and to protect and enhance long-term shareholders' value. The Board is collectively responsible for the setting of the overall strategy and the success of the FimaCorp Group.</li><li>2. The duties, powers and functions of the Board are governed by the Company's Constitution, the Companies Act 2016, Bursa Malaysia Securities Berhad's Main Market Listing Requirements (Bursa Listing Requirements) and other regulatory guidelines and requirements that are in force.</li><li>3. In discharging its responsibilities effectively, the Board is also guided by the Board Charter. The Charter sets out matters specifically reserved for the Board's decision. The Constitution and Board Charter can be found on the Company's website at <a href="http://www.fimacorp.com/corporate-governance.php">http://www.fimacorp.com/corporate-governance.php</a>.</li><li>4. As guided by the Board Charter, the Board assumes, amongst others, the following duties and responsibilities:<ul style="list-style-type: none"><li>• reviewing and adopting the overall strategic plans and programmes for FimaCorp Group.</li><li>• overseeing and evaluating FimaCorp Group's business operations and financial performance.</li><li>• identifying and managing principal risks affecting FimaCorp Group and ensuring that the operating infrastructure, internal controls and systems to identify significant financial and non-financial risks, are in place and implemented.</li><li>• promoting a culture of integrity, compliance and responsible conduct throughout FimaCorp Group, which shall inter-alia include establishing appropriate policies and procedures to manage bribery and corruption risks.</li><li>• providing input into and final approval of the annual operating budget.</li><li>• approving major capital expenditure, capital management and acquisitions/divestitures.</li></ul></li></ol>

	<ul style="list-style-type: none"> <li>• ensuring that appropriate plans are in place in respect of the succession plan of FimaCorp Group.</li> <li>• promoting sustainability through appropriate environmental, social and governance considerations in the Group’s strategies.</li> </ul> <p>5. The Board delegates its powers and authorities from time to time to Committees in order to ensure the operational efficiency and specific issues are being handled with relevant expertise. The Board has established the Audit and Risk Committee (ARC) and Nomination and Remuneration Committee (NRC) as principal standing Committees of the Board. Each Committee has its specific duties and authorities set out in its own Terms of Reference which can be viewed on the ‘Investors’ page of the Company’s website. Their Terms of Reference are regularly reviewed and updated as required.</p> <p>These Committees have the authority to examine particular issues and report to the Board on their proceedings and deliberations together with their recommendations as well as approval authority for matters specifically delegated by the Board to the Board Committees. However, the Board has the ultimate responsibility for final decisions on all matters.</p> <p>6. The Board has also established other committees to assist the Board in managing the Group’s activities:</p> <p>(i) <u>Risk Steering Committee (RSC)</u>: is a sub-committee of the ARC. The RSC supports the ARC in the development and implementation of the Group’s risk management and internal control framework, including the Group’s policies and procedures for detecting, reporting and preventing breaches of conduct, whistleblowing and bribery as well as corporate responsibility and sustainability programmes. The RSC advises the ARC and the Board on high risk areas, and the adequacy of compliance and control procedures throughout FimaCorp Group. The RSC’s duties and responsibilities are set out in its Terms of Reference.</p> <p>A Risk Coordinator acts as a central contact and guide for enterprise risk management (ERM) related issues within FimaCorp Group, including but not limited to: (a) coordinating ERM routinely within the Group; and (b) facilitating and supervising the development and implementation of policy, procedures and strategies relating to ERM.</p> <p>The Group Risk Management Unit (GRMU), headed by the Chief Financial Officer monitors and reports on the effectiveness of risk mitigation measures, as well as providing recommendations for improvement. The GRMU is supported by a Risk Officer, whose appointment was approved by the ARC during the year. Through the GRMU, we aim to foster a proactive approach to risk management and strengthen the Group’s overall risk resilience.</p> <p>(ii) <u>Group Sustainability Committee (GSC)</u>: assists the Board to meet its oversight responsibilities in relation to the Group’s sustainability initiatives and performance. The duties of GSC include reviewing and making recommendations to the Board</p>
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on, the Group's policy and performance in relation to the environment, social and governance matters. The GSC reports directly to the ARC.

The roles and responsibilities of the GSC are clearly specified in its Terms of Reference which can be viewed on the 'Investors' page of the Company's website.

- (iii) Investment Committee (IC): is a new committee established in FYE2024 following recommendations from last year's Board evaluation to assist the Board in reviewing potential new business opportunities and investments proposed by Group management, and providing initial in-principal support before any detailed negotiations and workstreams can commence.
- (iv) Disclosure Committee: assists the Board in ensuring the Group's compliance with its continuous disclosure obligations and for overseeing the Company's disclosure practices.
- (v) Ad Hoc Committees & Team: they are temporary groups formed to address specific tasks/projects/assignment within the Group. They may also be authorised to exercise specific powers delegated by the Board.

The Board entrusts the day-to-day operation and administration of the Company and its subsidiaries to the Managing Director. Senior management, led by the Managing Director, is responsible for managing the Group's daily activities. They play a critical role in ensuring the Board receives the information required for informed decision-making. This includes reporting on the Company's performance, implementation of the Group's strategy and ESG considerations. Despite this delegation of authority, the Board maintains ultimate responsibility for the overall performance of the Group.

7. The Board in discharging its responsibilities in overseeing the overall management of the Group has, during the year under review, undertaken the following:

Approved:

- the budget and business plan for financial year 2024, key performance targets/indicators and Group corporate strategy.
- the quarterly financial results and annual Audited Financial Statements and the Directors' Report.
- the amount, nature and timing of the dividend to be paid.
- resolutions to be put to shareholders at the 48<sup>th</sup> Annual General Meeting held on 29 August 2023.
- major acquisitions, investments and capital expenditure.
- draft statements for the FYE2023 Annual Report and Circular/Statement to the Shareholders.
- FYE2023 annual increment and performance reward for the Managing Director and Group employees.
- payment of ex-gratia to Group employees.
- the Managing Director's key performance indicators for financial year 2024.

	<ul style="list-style-type: none"> <li>• recurrent related party transactions/related party transactions entered into by the Group and any potential or perceived conflicts of interest.</li> <li>• bank mandates and treasury-related matters.</li> <li>• the Group’s solvency and financial position.</li> <li>• audit plan for the Group including audit and non-audit fees for FYE2024 based on the recommendation of the ARC.</li> <li>• adoption of the Board annual outline agenda.</li> <li>• re-appointment of Messrs Ernst &amp; Young PLT as the Company’s auditors and for the same to be put for shareholders’ approval at the Annual General Meeting (AGM).</li> <li>• establishment of the Investment Committee and its Terms and Reference.</li> <li>• capital reduction and disposal of assets by a subsidiary.</li> <li>• intercompany procurement transactions.</li> </ul> <p><u>Reviewed and considered:</u></p> <ul style="list-style-type: none"> <li>• the Group’s Quarterly Performance Report pertaining to the Group’s actual financial and operational performance versus planned performance and other key financial and operational performance indicators.</li> <li>• Board, Board Committees, individual Directors, external and internal auditors’ annual assessment.</li> <li>• recurrent related party transactions/related party transactions entered into by the Group.</li> <li>• composition of the Board and Independent Directors and the time commitment given by the Directors in fulfilling their responsibilities as Directors and members of Board Committees.</li> <li>• progress made in implementing the strategies established at the Board Retreat.</li> <li>• divisional strategic updates.</li> <li>• status of material litigation.</li> <li>• summary of industrial relations/accidents cases and whistleblowing complaints received through the whistleblowing channels.</li> <li>• the disclosure on dealings by Directors in the Company’s securities.</li> <li>• the succession planning of the Group’s senior management and Group support functions.</li> <li>• half-yearly review of the Group’s ESG performance.</li> <li>• half-yearly review of the Group’s ERM Report.</li> </ul> <p>8. The Managing Director maintains regular contact with all Directors. Summary of monthly management accounts and other updates are also sent to Non-Executive Directors to keep them informed of the events throughout the Group between Board meetings which ensure that they are kept fully advised of the latest issues affecting the Group.</p> <p>9. The Company provides Directors with the necessary resources to maintain and enhance Director’s knowledge and capabilities in discharging their duties. All Directors have access to the advice and services of the Company Secretaries who are responsible to the Board for advising on all governance matters, Board procedures and compliance with applicable rules and regulations. The Directors, with the consent from the Chairman, are allowed to take external independent professional advice concerning the affairs of the Group</p>
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at the Company's expense. The Board also has access to senior management at any time to request relevant information.

10. Directors are encouraged to attend continuing education programmes and seminars to keep themselves abreast with current developments in the marketplace and with new statutory and regulatory requirements. The training programmes attended by Directors during FYE2024 were as follows:

Director	Training Attended	Date Held
Datuk Bazlan bin Osman (Chairman)	<ul style="list-style-type: none"> <li>Invest Malaysia 2023 Series 2: Digital Malaysia Tomorrow's Infrastructure, Today organised by Bursa Malaysia Berhad</li> </ul>	7 June 2023
	<ul style="list-style-type: none"> <li>MIA Conference 2023: Future Fit Profession - Charting a Better Tomorrow organised by Malaysian Institute of Accountants</li> </ul>	13 - 14 June 2023
	<ul style="list-style-type: none"> <li>Ethical Leadership Helps Shape Organisational Values &amp; Culture and Emulate Prophetic Leadership organised by Bank Islam Malaysia Berhad</li> </ul>	16 June 2023
	<ul style="list-style-type: none"> <li>Malaysia Insolvency Conference 2023: Malaysia-Recession or Opportunities on the Horizon? organised by Malaysian Institute of Accountants</li> </ul>	21 June 2023
	<ul style="list-style-type: none"> <li>Invest Malaysia 2023 Special Series - Part 1: Flagship Catalyst Projects and Initiatives Energising the Nation, Powering Our Future organised by Bursa Malaysia Berhad</li> </ul>	27 July 2023
	<ul style="list-style-type: none"> <li>Directors Conference 2023: Bank Islam Group Harmonising Talent and Governance - Leverage ESG for Sustainability Retention organised by Bank Islam Malaysia Berhad</li> </ul>	7 August 2023
	<ul style="list-style-type: none"> <li>The Arrival of ISSB Standards and the Continued Relevance of Integrated Reporting organised by Malaysian Institute of Accountants</li> </ul>	4 September 2023
	<ul style="list-style-type: none"> <li>East Malaysia Palm Oil &amp; Lauric Oil Conference organised by Bursa Malaysia Berhad</li> </ul>	5 September 2023
	<ul style="list-style-type: none"> <li>Navigating Sustainability Reporting in the Banking Industry organised by PwC Malaysia</li> </ul>	6 September 2023
	<ul style="list-style-type: none"> <li>Global Market &amp; Economic Outlook and Global Capital Market Trends &amp; Opportunities organised by Bursa Malaysia Berhad</li> </ul>	10 September 2023
	<ul style="list-style-type: none"> <li>18<sup>th</sup> Kuala Lumpur Islamic Finance Forum 2023: Harnessing Islamic Finance for a Sustainable Future organised by CERT Events Sdn Bhd</li> </ul>	19 - 20 September 2023
	<ul style="list-style-type: none"> <li>IFAC Sustainability Summit-Asia Pacific organised by International Federation of Accountants</li> </ul>	27 - 28 September 2023
	<ul style="list-style-type: none"> <li>Khazanah Megatrends Forum 2023 organised by Khazanah Nasional Berhad</li> </ul>	2 - 3 October 2023
<ul style="list-style-type: none"> <li>Financial Fraud &amp; Scams organised by Bursa Malaysia Berhad</li> </ul>	4 October 2023	

	<p>Datuk Bazlan bin Osman (Chairman) (Cont'd.)</p>	<ul style="list-style-type: none"> <li>• Malaysia Carbon Market Forum Empowering Climate Actions through Carbon Markets organised by Bursa Malaysia Berhad</li> <li>• Board Oversight of Climate Risks and Opportunities organised by Iclif @ Asia School of Business</li> <li>• Conflict of Interest and Governance of COI organised by Iclif @ Asia School of Business</li> <li>• CelcomDigi MY5G CEO Roundtable organised by CelcomDigi</li> <li>• Anti-Money Laundering/Countering Financing of Terrorism &amp; Targeted Financial Sanctions organised by Bank Islam Malaysia Berhad</li> <li>• TRATAX Webinar on Decoding New Tax Measures in 2024 Budget organised by TRATAX Sdn Bhd</li> <li>• Accenture AI Ascend 2023: Transcend Boundaries Elevate Possibilities organised by Accenture Malaysia</li> <li>• Board Development Program: Guardians of Integrity - Elevating Board Oversight in Anti-Fraud, Bribery &amp; Corruption organised by Bursa Malaysia Berhad</li> <li>• Board Leadership Series 2023: Empowering Change through Diversity, Equity and Inclusion (DEI) organised by Asia School of Business</li> <li>• Mandatory Accreditation Programme Part II: Leading for Impact organised by Institute of Corporate Directors Malaysia</li> <li>• Fima's 2<sup>nd</sup> Virtual Summit Series 4 2023: Improving Workplace Dynamics: Achieving Harmony through Compliance &amp; Competencies (in-house)</li> <li>• 2023 IFAC Thought Leadership Seminar organised by International Federation of Accountants</li> <li>• Climate Risk Management and Scenario Analysis &amp; Security Awareness organised by Syarikat Takaful Malaysia Keluarga Berhad</li> <li>• Capacity Building Workshop: ESG and Corporate Greenhouse Gas (GHG) Accounting and Reporting organised by Bursa Malaysia Berhad</li> <li>• Asia Pacific Sustainability Outlook 2024 webinar - The Climate Plus Agenda organised by PricewaterhouseCoopers</li> <li>• 35<sup>th</sup> Palm &amp; Lauric Oils Price Outlook Conference &amp; Exhibition organised by Bursa Malaysia Berhad</li> <li>• BNM – FIDE FORUM Engagement Session with Board of Directors of Islamic Financial Institutions: Hajah and Darurah Policy Document organised by FIDE</li> </ul>	<p>5 October 2023</p> <p>10 October 2023</p> <p>11 October 2023</p> <p>17 October 2023</p> <p>18 October 2023</p> <p>20 October 2023</p> <p>26 October 2023</p> <p>31 October 2023</p> <p>2 November 2023</p> <p>8 - 9 November 2023</p> <p>14 November 2023</p> <p>15 - 16 November 2023</p> <p>27 November 2023</p> <p>5 December 2023</p> <p>29 January 2024</p> <p>4 - 5 March 2024</p> <p>7 March 2024</p>
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	Datuk Bazlan bin Osman (Chairman) (Cont'd.)	<ul style="list-style-type: none"> <li>• MY5G CEO Series 2024: 5G, AI and Cloud: Digital Trends Shaping the Future; 5G Fueling Industrial Transformation organised by CelcomDigi</li> </ul>	7 March 2024
	Dato' Roslan bin Hamir	<ul style="list-style-type: none"> <li>• Fima's 2<sup>nd</sup> Virtual Summit Series 2 2023: Improving Workplace Dynamics: Achieving Harmony through Compliance &amp; Competencies (in-house)</li> <li>• Fima's 2<sup>nd</sup> Virtual Summit Series 4 2023: Improving Workplace Dynamics: Achieving Harmony through Compliance &amp; Competencies (in-house)</li> <li>• Mandatory Accreditation Programme Part II: Leading for Impact organised by Institute of Corporate Directors Malaysia</li> <li>• UBS Summit Year Ahead 2024: A new world organised by UBS Wealth Management Singapore</li> </ul>	<p>19 October 2023</p> <p>14 November 2023</p> <p>11 - 12 December 2023</p> <p>9 January 2024</p>
	Rezal Zain bin Abdul Rashid	<ul style="list-style-type: none"> <li>• SRI 2023 – Revving Up the Race for Sustainability organised by Securities Industry Development Corporate</li> <li>• Mandatory Accreditation Programme Part II: Leading for Impact organised by Institute of Corporate Directors Malaysia</li> <li>• Fima's 2<sup>nd</sup> Virtual Summit Series 4 2023: Improving Workplace Dynamics: Achieving Harmony through Compliance &amp; Competencies (in-house)</li> </ul>	<p>21 - 22 June 2023</p> <p>7 - 10 August 2023</p> <p>14 November 2023</p>
	Dr. Roshayati binti Basir	<ul style="list-style-type: none"> <li>• The Audit Committee - How to Navigate Financial Reporting Oversight Amidst Potential Landmines of Misreporting? organised by Malaysian Institute of Corporate Governance</li> <li>• SRI 2023 – Revving Up the Race for Sustainability organised by Securities Industry Development Corporate</li> <li>• Fima's 2<sup>nd</sup> Virtual Summit Series 1 2023: Improving Workplace Dynamics: Achieving Harmony through Compliance &amp; Competencies (in-house)</li> <li>• Fima's 2<sup>nd</sup> Virtual Summit Series 3 2023: Improving Workplace Dynamics: Achieving Harmony through Compliance &amp; Competencies (in-house)</li> <li>• Mandatory Accreditation Programme Part II: Leading for Impact organised by Institute of Corporate Directors Malaysia</li> <li>• Fima's 2<sup>nd</sup> Virtual Summit Series 4 2023: Improving Workplace Dynamics: Achieving Harmony through Compliance &amp; Competencies (in-house)</li> </ul>	<p>29 May 2023</p> <p>21 - 22 June 2023</p> <p>13 October 2023</p> <p>1 - 3 November 2023</p> <p>8 - 9 November 2023</p> <p>14 November 2023</p>



	<p>Rosely bin Kusip</p>	<ul style="list-style-type: none"> <li>• The Nominating &amp; Remuneration Committees: What Roles Do These Committees Plan – Can Listed Issuers Do Without Them? organised by Malaysian Institute of Corporate Governance</li> <li>• SRI 2023 – Revving Up the Race for Sustainability organised by Securities Industry Development Corporate</li> <li>• Audit Committee Conference 2023 organised by Malaysian Institute of Accountant</li> <li>• Board Oversight of Climate Risks and Opportunities organised by Iclif Executive Education Center, Asia School of Business</li> <li>• Fima's 2<sup>nd</sup> Virtual Summit Series 4 2023: Improving Workplace Dynamics: Achieving Harmony through Compliance &amp; Competencies (in-house)</li> <li>• Mandatory Accreditation Programme Part II: Leading for Impact organised by Institute of Corporate Directors Malaysia</li> </ul>	<p>20 June 2023</p> <p>21 - 22 June 2023</p> <p>14 September 2023</p> <p>10 October 2023</p> <p>14 November 2023</p> <p>29 - 30 November 2023</p>
	<p>Nik Feizal Haidi bin Hanafi</p>	<ul style="list-style-type: none"> <li>• The Audit Committee: How to Navigate Financial Reporting Oversight Amidst Potential Landmines of Misreporting? organised by Malaysian Institute of Corporate Governance</li> <li>• Environmental, Social and Governance ("ESG") Bursa Malaysia's Enhanced Sustainability Reporting organised by Ernst &amp; Young PLT</li> <li>• Audit Committee Conference 2023 organised by Malaysian Institute of Accountant</li> <li>• Board Oversight of Climate Risks and Opportunities organised by Iclif Executive Education Center, Asia School of Business by Bursa Malaysia Berhad</li> <li>• Fima's 2<sup>nd</sup> Virtual Summit Series 4 2023: Improving Workplace Dynamics: Achieving Harmony through Compliance &amp; Competencies (in-house)</li> <li>• PLCT Chairperson Masterclass: Leading the Change - Mastering Climate Action as a Chairperson - Managing Scope 3 Emissions organised by Institute of Corporate Directors Malaysia</li> <li>• Mandatory Accreditation Programme Part II: Leading for Impact organised by Institute of Corporate Directors Malaysia</li> </ul>	<p>29 May 2023</p> <p>12 July 2023</p> <p>14 September 2023</p> <p>10 October 2023</p> <p>14 November 2023</p> <p>28 November 2023</p> <p>13 - 14 December 2023</p>
<p><b>Explanation for departure</b></p>	<p>:</p>		

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

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"><li>1. Datuk Bazlan bin Osman is the Chairman of the Board and is an Independent Non-Executive Director. His profile is available under Our Board of Directors section of the Company's Annual Report 2024.</li><li>2. The Board Charter sets out specific roles and responsibilities of the Chairman, which include:<ul style="list-style-type: none"><li>• leading the Board in setting the values and standards of the Company.</li><li>• maintaining a relationship of trust with and between the Executive and Non-Executive Directors.</li><li>• ensuring the provision of accurate, timely and clear information to Directors.</li><li>• ensuring effective communication with shareholders and relevant stakeholders.</li><li>• arranging regular evaluation of the performance of the Board, its Committees and individual Directors.</li><li>• facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors.</li><li>• facilitating the on-going development of all Directors.</li></ul><p>The Board Charter is available on the Company's website at <a href="http://www.fimacorp.com/corporate-governance.php">http://www.fimacorp.com/corporate-governance.php</a>.</p></li><li>3. The Chairman leads the Board to ensure its effectiveness on all aspects of the Board's role and promotes high standards of corporate governance and ensures that Non-Executive Directors are able to speak freely and contribute effectively. At board meetings, he ensures that adequate time is available for discussion of all agenda items especially strategic issues and promotes a culture of openness and debate on the Board.</li><li>4. The Chairman engages with Board members, management and the Company Secretaries to ensure that the Board can perform its responsibilities effectively.</li><li>5. Based on the findings of the Board Effectiveness Evaluation (BEE) exercise for FYE2024, Datuk Bazlan has demonstrated effective leadership qualities characterised by clear communication, decisiveness and fostering an inclusive Board culture.</li></ol>

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

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"><li>1. The positions of Chairman and Managing Director are held by different individuals. The distinct and separate roles and responsibilities of the Chairman and Managing Director are clearly established and set out in the Board Charter which is available on the 'Investors' page of the Company's website. The scope of each of these roles is approved and kept under review by the Board so that no individual has unfettered decision-making powers. The division of responsibilities would ensure sufficient time commitment of the Chairman and Managing Director to allow effective discharge of their respective duties.</li><li>2. The Chairman of the Board, Datuk Bazlan bin Osman, is an Independent Non-Executive Director. He is responsible for inter-alia, the leadership and governance of the Board and ensuring that the strategies and policies agreed by the Board are effectively implemented by the Managing Director and management.</li><li>3. Dato' Roslan bin Hamir (Dato' Roslan), the Managing Director, is responsible to ensure the smooth running of the Company's day-to-day operations. Dato' Roslan is responsible for the implementation of policies approved by the Board and is required to report and discuss at Board and/or Board Committees meetings all material issues currently or potentially affecting the Group and its performance. Dato' Roslan is authorised to delegate the powers conferred on him as he deems appropriate. He is also supported by the senior management team who work together to execute the Company's strategies and manage the operations of the Group. When necessary, senior management is invited to join in Board and/or Board Committees meetings to provide explanation or engage in dialogue with Board members on agenda items being discussed in order for the Board and/or Board Committees to make an informed decision. Nevertheless, the Board maintains ultimate responsibility for strategy and control of the Group and its businesses.</li><li>4. The Managing Director engages regularly with the Chairman to update on issues affecting the Company/business units and performance trends.</li></ol>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		

**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>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	The Chairman of the Board, Datuk Bazlan bin Osman is not a member of the ARC or the NRC.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"><li>1. Jasmin binti Hood (Jasmin) and Muhammad Fadzlilah bin Abdul Ra'far (Fadzli) are the Company's Company Secretaries. Jasmin holds a Company Secretary licence issued by the Companies Commission of Malaysia and is an affiliate of Malaysian Institute of Chartered Secretaries and Administrators while Fadzli is a member of the Malaysian Institute of Accountants. Both are qualified to act as secretary under Section 235(2) of the Companies Act, 2016.</li><li>2. The Company Secretaries are appointed by and is accountable to the Board on all matters to do with the proper functioning of the Board. The Company Secretaries act as secretary on all Committees of the Board. All Directors have direct access to the advice and services of the Company Secretaries to support them in the discharge of their duties and responsibilities.</li><li>3. The role of the Company Secretaries include:<ul style="list-style-type: none"><li>• administer all Board and Board Committees meetings including the scheduling, taking of minutes, preparation of Board meeting/ Board Committees meeting materials and information supplied to the Board/Board Committees.</li><li>• ensure information supplied to the Board such as meeting minutes are accurate, timely and adequate for the Board/Board Committees to carry out its function.</li><li>• ensure proper record keeping of all deliberations and decisions of the Board and Board Committees.</li><li>• accord the Board with regular updates and advice on changes to statutory and regulatory requirements including those related to governance matters.</li><li>• facilitate a two-way communication between senior management and the Board to ensure Board's decisions are communicated in a timely basis.</li><li>• facilitate the conduct of continuous professional development trainings for Directors including induction programmes for newly appointed Directors.</li><li>• manage the general meeting processes.</li><li>• serve as a focal point for stakeholders' communication and engagement on corporate governance issues.</li><li>• support the Board and NRC by facilitating the Board effectiveness evaluation exercise.</li></ul></li></ol>



	<p>4. Company Secretaries are responsible for ensuring that Board procedures are followed and Board activities are efficiently and effectively conducted. They also facilitate information flows and communications among Directors as well as shareholders and management.</p> <p>5. The Company Secretaries have oversight on overall corporate secretarial functions of the Group, both in Malaysia and the regions where the Group operates.</p> <p>6. The Directors have ready and unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively.</p> <p>7. The Company Secretaries, in keeping abreast with the latest developments of all relevant laws/regulations have attended external training courses organised during FYE2024. The details are as follows:</p> <ul style="list-style-type: none"> <li>• SSM National Conference 2023</li> <li>• National Climate Governance Summit</li> <li>• MAICSA Annual Conference 2023</li> <li>• Conflict of Interest and What Can Go Wrong – Unpacking its Implications to Listed Issuers and their Directors</li> <li>• MIA International Accountants Conference 2023</li> <li>• Pengurusan Pembajaan Berkesan - Fertilizing the Future</li> <li>• MIA Webinar Series: Operational Analyses and Process Improvements with Financial Outcomes</li> <li>• SSM Webinar: Key Provisions and Compliance Requirements under Companies Act 2016</li> <li>• SSM Webinar: Sharpen Your Persuasion &amp; Influencing Skills</li> <li>• SSM Webinar: IFRS Sustainability Disclosure Standards</li> </ul> <p>The profiles of the Company Secretaries are disclosed under Our Group Management section of the Company's Annual Report 2024.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.6

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"><li>1. Prior to the beginning of each financial year, the Board and Board Committees meetings are scheduled in line with the key financial reporting dates to ensure Directors are able to plan their schedules appropriately. Special Board meetings are convened between regular Board meetings by giving sufficient notice to consider ad-hoc matters. 6 Board meetings were held during FYE2024.</li><li>2. A Board Annual Outline Agenda (Outline Agenda) is prepared, tabled and circulated to the Board in advance of each new year. The Outline Agenda sets out the tentative agenda items and facilitates the Board and management in planning the preparation of matters for discussion at the scheduled meetings, and serves as an easy reference to facilitate their time planning.</li><li>3. The notice of Board and Board Committees meetings are sent to the Directors/Board Committee members via e-mail, more than 7 days before the meetings. Notice of meetings are also given to all who are required to attend the meetings.</li><li>4. The agendas and meeting materials are generally distributed to the Board and Board Committee members within a reasonable period prior to all Board and Board Committees meetings to allow sufficient time for appropriate review to facilitate productive discussions at the meetings.</li><li>5. The Board adopted paperless meetings through usage of technology which allows immediate access to the materials. The meetings of the Board and Board Committees were also held physically and via online.</li><li>6. Management presentations are made to the Board and its Committees regularly on various aspects of the Company's operations. The Directors have unrestricted access to senior management.</li><li>7. The deliberations and decisions at Board and Board Committees meetings are documented in the minutes, including matters where Directors abstained from deliberation and/or voting or have dissenting views or significant concerns. This ensures transparency and accountability in decision-making, and all conflicts of interests are disclosed and recorded in the minutes of the meeting. The action items identified and highlighted during meetings are conveyed to the senior management for their follow-up action.</li></ol>

	8. Minutes of the Board and Board Committees meetings are distributed in a timely manner to the members. The Board may seek clarification of the minutes or request for any amendment before the minutes are confirmed as true and correct record at the next Board and Board Committees meetings. Actionable items will be recorded in the minutes as matters arising until they are resolved.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"><li>1. The Board has formally adopted a Board Charter, which clearly defines the roles and responsibilities of the Board, Board Committees and individual Directors as well as matters reserved for the Board.</li><li>2. The Board Charter outlines:<ul style="list-style-type: none"><li>• the composition and Board balance;</li><li>• the establishment of the Board Committees;</li><li>• the roles and responsibilities of the Board, Board Committees and individual Directors as well as powers delegated to management;</li><li>• schedule matters reserved for the Board;</li><li>• separation of functions between the Chairman of the Board and the Managing Director;</li><li>• independence of Directors;</li><li>• details on Board meetings and general meetings;</li><li>• Board and Board Committees annual assessment;</li><li>• internal controls and risk management;</li><li>• conflict of interest;</li><li>• remuneration policies;</li><li>• financial reporting;</li><li>• access to information, advice and training; and</li><li>• maintaining integrity and compliance with ethical standards.</li></ul></li><li>3. The Board annually reviews its Board Charter to keep abreast with new changes in regulations and best practices. The Board Charter will be updated in accordance with the requirements of the Group and any new regulations that may have an impact on the discharge of the Board's responsibilities.</li><li>4. The Board Charter was reviewed and affirmed by the Board on 21 February 2024 and is available on the Company's website, <a href="http://www.fimacorp.com/corporate-governance.php">http://www.fimacorp.com/corporate-governance.php</a>.</li></ol>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"><li>1. In addition to the Board Charter, the Board observes the following:<ul style="list-style-type: none"><li>• Companies Act, 2016; and</li><li>• Code of Ethics for Company Directors issued by the Companies Commission of Malaysia.</li></ul></li><li>2. The foregoing provides guidance for proper standards of conduct and sound and prudent business practices as well as standard of ethical behaviour for Directors, based on principles of integrity, responsibility, sincerity and corporate social responsibility.</li><li>3. The Board is guided by the Companies Act, 2016 and Bursa Listing Requirements in connection with the disclosure of shareholding and interests in the Group.</li><li>4. The Board shall also observe any conflict of interest or potential conflict of interest, including interest in any competing business, that the Board has with the Company or its subsidiaries. In this respect, the Board is guided by the provisions in the Companies Act, 2016 and Bursa Listing Requirements. In order to avoid potential conflicts or biases, all Directors are required to make a general disclosure of their interests, at appointment, at the beginning of every financial year and during the year as required. A general notice given by a Director in regard to his/her interest is recorded in the Conflict of Interest Register and is tabled at the Board meetings. The disclosure on the same is also recorded in the minutes of the Board meeting. An interested Director will abstain from discussion or decisions on matters in which they have a conflicting interest.</li><li>5. The Company observes the Fima Group Code of Conduct (Code), established by KFima for its Group subsidiaries. The Code which was revised and approved by KFima Board in August 2021, lays out the Company's principles, standards, and the moral and ethical expectations that employees and third parties are held to as they interact with the organisation.</li></ol>

	<p>6. The Directors and employees are expected to behave ethically and professionally at all times, and protect and promote the reputation and performance of the Company.</p> <p>7. The Company has an Anti-Bribery Policy which sets out the Group's expectations for internal and external parties working with and for the Group in upholding the Group's commitments and stances against bribery and corruption. The policy has been developed in line with, amongst others, Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (MACC Act 2009); in particular, the Guidelines on Adequate Procedures pursuant to section 17A of the MACC Act 2009, as well as other international better practices. The policy is also part of the Group's zero tolerance approach towards all forms of bribery and corruption.</p> <p>8. The Group's employees and service providers are required to complete the integrity declaration form in which they had to declare and confirm their compliance with all applicable laws and regulations relating to anti-bribery, fraud and corruption as well as to all Group's policies, standard of procedures and governance. Additionally, they are also required to disclose any conflict of interest situations with FimaCorp Group or other stakeholders of the FimaCorp Group's businesses.</p> <p>9. In fulfilling the Group's commitment towards achieving a corruption-free business environment, the Company has in place a Whistle-blowing Policy which encourages reporting by the employees, business associates as well as any external parties of any improper conduct of the Group's employees in breach of any laws, guidelines and policies for the time being in force.</p> <p>10. Training sessions and engagement activities have been conducted (via e-learning and on-site) to spread awareness and address concerns.</p> <p>The Company's Anti-Bribery Policy and Whistle-blowing Policy are available on the Company's website under 'Investors' page.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"><li>1. The Group is committed to develop a culture of openness, honesty and accountability and believes that it is fundamental that any concerns the employees have about the Company can be raised without fear of victimisation.</li><li>2. The Group's Whistle-blowing Policy has been in place since 2011 to promote responsible corporate conduct across the Group. It provides an avenue for legitimate concerns to be objectively investigated and addressed. The policy is intended to encourage employees and stakeholders to report actual or perceived unethical or illegal conduct perpetrated against the Company with the understanding that confidentiality will be maintained without any fear for their position.</li><li>3. The policy also provides procedures and channels for reporting any improper conduct or wrongdoing within the Group. A preliminary assessment of every report/concern will be carried out by the Group Internal Audit (GIA) or Group Human Resource &amp; Administration (GHRA) Departments. The results of all assessments and investigations will be tabled to the ARC for their review.</li><li>4. Upon review of the findings of the preliminary investigations, the ARC may:<ol style="list-style-type: none"><li>(i) in cases where the preliminary findings disclose a possible criminal offence, decide if the matter should be referred to the relevant authorities such as the police or the Malaysian Anti-Corruption Commission. In such circumstances, the ARC shall first report the findings together with the recommended course of action to the Board for their attention and approval; or</li><li>(ii) determine any other course of action that the ARC deems fit having regard to the circumstances of the matter reported and the fairness of the conduct of any investigation.</li></ol></li><li>5. There were no whistleblowing reports received during FYE2024.</li></ol>
<b>Explanation for departure</b>	:	



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

<b>Measure</b> :		
<b>Timeframe</b> :		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"> <li>1. The Board is responsible for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets as spelt out in the Board Charter.</li> <li>2. In this respect, the Board, through the ARC evaluates/reviews sustainability performance and oversight of the Group's sustainability initiatives and strategies. The ARC receives a report on the Group's sustainability performance every quarter.</li> <li>3. The GSC supports the Board and ARC by providing oversight and guidance to management in ensuring that their sustainability programmes and initiatives align with the Group's long-term value creation objectives.</li> <li>4. The minutes of the GSC are tabled and presented to the Board to keep them informed and updated on the key issues deliberated by the GSC.</li> </ol> <p>Sustainability issues are given utmost consideration when new projects are being proposed and/or evaluated. As a matter of policy, all proposals that are submitted to the Board for approval must include comprehensive assessments of risk and ESG considerations (including conflict of interest).</p> <p>The GSC's Terms of Reference are available on the Company's website.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

<b>Measure</b> :		
<b>Timeframe</b> :		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"> <li>1. Sustainability material matters and performance are discussed at the GSC meetings. The GSC met 3 times in FYE2024 and the meeting were also attended by the representatives from each of the Group's divisions.</li> <li>2. For external stakeholders, sustainability strategies/approach priorities and performance are disclosed via Sustainability Report published annually. The Sustainability Report is available on the Company's website.</li> </ol>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>1. The GSC which was established on 30 March 2017, oversees the Group’s sustainability programmes and to monitor the progress thereof. The GSC will report to the Board via the ARC, any matters within its remit in respect of which it considers an action or improvement is needed, and making recommendations as appropriate.</p> <p>The Board has delegated the oversight of ESG matters to the ARC who conducts quarterly reviews of the Group’s ESG. Additionally, the Board receives the Group's ESG Report on a half-yearly basis.</p> <p>2. In FYE2024, all Directors have completed the Mandatory Accreditation Programme Part II: Leading for Impact. In addition, some Directors have also attended external training courses on sustainability issues, including climate-related risks. Details of training attended and participated by the Directors during the financial year under review are set out in Practice 1.1.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	For FYE2024, the Managing Director’s key performance indicators (KPI) has included ESG elements which were cascaded down to the management/divisional levels. Management would then establish their own granular KPIs and actionable plans that align with the specific Managing Director’s KPIs that are applicable to them, and gauge the effectiveness, productivity, efficiency, cost controls or ESG performance of those actions.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<i>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.</i>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	: <ol style="list-style-type: none"> <li>1. The Managing Director is a member of GSC. The GSC consists of representatives from the Boards of KFima (FimaCorp's ultimate holding company) and FimaCorp and members of senior management. The GSC is chaired by a Non-Independent Non-Executive Director of FimaCorp.</li> <li>2. The Group Corporate Services Department of KFima oversees the Group's sustainability reporting, with guidance from the Managing Director and the Chairman of the GSC as well as counsel from the ARC and the Board. Sustainability working groups have been established at the divisional level to assess, measure and report the sustainability performance of their respective operations.</li> </ol>
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"><li>1. The NRC reviews the broader composition and balance of the Board and its Committees, their alignment with the Company's strategic/objectives, and the need for progressive refreshing of the Board.</li><li>2. On an annual basis, the NRC reviews the tenure of each Director including their time commitment and carries out an annual board effectiveness evaluation (BEE) to ensure that the Board as a whole and the Board Committees have been effective and fulfilling its roles and responsibilities. The performance and contribution of each individual Director are also assessed as part of the BEE process. The NRC also considers the time commitment of each Non-Executive Director of the Company.</li><li>3. In addition, the independence of all Independent Directors is reviewed by the NRC annually, with reference to their independence of character and judgement and whether any circumstances or relationships exist which could affect their judgement.</li><li>4. The NRC is also responsible for recommending to the Board, Directors who are standing for re-election at the Company's AGM. The Directors will be evaluated inter-alia based on the results of the BEE in addition to prescribed fit and proper assessment criteria.</li><li>5. At the forthcoming AGM, the Board approved NRC's recommendation to seek shareholders' approval for the re-election of the following Directors pursuant to the Company's Constitution:<ol style="list-style-type: none"><li>(i) Dato' Roslan bin Hamir</li><li>(ii) Encik Rosely bin Kusip</li></ol></li></ol> <p>For the purpose of determining the eligibility of the Directors to stand for re-election at the AGM, the Board and the NRC, had assessed each of the retiring Directors during the BEE. Accordingly, the Board and the NRC are satisfied that the retiring Directors have met the performance criteria and the Board's expectations by continuously discharging their duties diligently as Directors of the Company. Accordingly, the Board recommends the re-election of Dato' Roslan bin Hamir and Encik Rosely bin Kusip to the shareholders at the 49<sup>th</sup> AGM.</p>



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

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"> <li>1. The Board comprises 6 Directors, of whom 3 are Independent Non-Executive Directors (INED), 2 Non-Independent Non-Executive Directors and 1 Executive Director. Independent Directors constitute 50% of the Board. The composition of Independent Directors complies with Paragraph 15.02 (1) of the Bursa Listing Requirements which stipulates that at least 2 directors or 1/3 of the board of directors of a listed issuer, whichever is the higher, are independent director.</li> <li>2. The Board is of the view that the current composition of its Independent Directors is sufficient to ensure effective check and balance in the Board. However, the Board will continuously review its composition to ensure that such level of independence is not in any way compromised.</li> <li>3. The Board, through the NRC, has assessed the independence of the INEDs during the financial year under review. The Board was satisfied with the level of independence demonstrated by all the INEDs and was of the view that they could continue to bring sound independent and objective judgement to Board deliberations.</li> </ol>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Company's Board Charter has a formal policy limiting the tenure of Directors, especially Independent Directors to 9 years. If the Board intends to retain an Independent Director beyond 9 years, it should provide justification for the retention and seek annual shareholders' approval via a 2-tier voting. The Charter also provides that a Director should not serve as an Independent Director of the Company or its related companies for a cumulative period of more than 12 years or such other period as prescribed by the Bursa Listing Requirements, and upon completion of 12 years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as Non-Independent Director.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	N/A

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"><li>1. The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the NRC.</li><li>2. When assessing new appointments to the Board, the NRC together with the Board will consider fit and proper criteria as set out in the Company's Directors' Fit and Proper Policy and carefully review the combined skillsets and experience of the existing Board members to determine the required characteristics and profile of the new Director.</li><li>3. Candidates are also identified based on their professionalism, skills, knowledge, competencies, experience/background, expertise, and integrity to complement the existing Board. Diversity in terms of age and gender is also considered during the selection process.</li><li>4. The Board Diversity Policy approved in May 2022 sets out the principles adopted by FimaCorp to ensure diversity on the appointment and composition of its Board of Directors. The Board Diversity Policy is available on the Company's website under 'Investors' page.</li><li>5. Each Director is expected to devote sufficient time to the Company in carrying out their duties and responsibilities. For FYE2024, none of the Directors have served on the boards of more than 5 listed companies. Further, meeting attendance (for Board and Board Committees) of all Directors was 100%. Details of the directorship of each Board member together with Board and Board Committees meetings attendance were annually reviewed by the NRC and the Board during the meetings.</li><li>6. The NRC is also delegated with the role of screening and conducting an initial selection, which includes an external and independent search on candidates for appointment of board and senior management in the Company and its Group.</li><li>7. The appointment of key senior management is also made with due regard for diversity in skills, experience, competencies, cultural background, gender and other qualities.</li></ol>

	<p>8. The succession plan for the Group’s senior management team and support function is also reviewed and considered by the NRC and the Board annually.</p> <p>The profiles of the Board and our Group management indicating their diverse skills and experiences are disclosed in the Company’s Annual Report 2024 and Company’s website.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"><li>1. The Board uses a variety of sources for identification of suitable candidates. The NRC reviews the composition, fit and proper criteria, skillsets and Board requirements every year as part of the Board assessment. The NRC and Board has in the past relied on recommendation of existing Board members and engaged external professional agencies to assist with identifying and shortlisting candidates.</li><li>2. The standard process used by the NRC involves detailed assessment of shortlisted candidates followed by interviews with NRC members and Managing Director, and the sourcing of references before the NRC recommends any new appointment to the Board.</li><li>3. The NRC will also assess whether the candidate has any interest or relationship that may impact or influence his ability to act in the best interest of the Company before a recommendation is made to the Board to appoint the candidate as Director of the Company. The Board then will consider and approve the NRC's recommendations.</li></ol>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"><li>1. In order to assist the shareholders in their decision on the re-appointment/re-election of Directors retiring at the upcoming AGM, the information of the Directors such as academic/professional qualifications, directorships in other companies, working experience, age, gender, date of appointment, record of attendance of meetings and the shareholdings are disclosed in the Company's Annual Report 2024 and the Company's website.</li><li>2. The NRC is responsible for recommending to the Board, Directors who are standing for re-election at the Company's AGM, subject to the NRC being satisfied with the performance of the affected Directors based on the annual BEE in addition to the fit and proper assessment criteria prescribed under the Director's Fit and Proper Policy of the Company.</li><li>3. For the Company's forthcoming AGM, the Board approved NRC's recommendation to seek shareholders' approval of the following Directors who will be retiring and eligible for re-election pursuant to the Company's Constitution:<ol style="list-style-type: none"><li>(i) Dato' Roslan bin Hamir</li><li>(ii) Encik Rosely bin Kusip</li></ol>Dato' Roslan bin Hamir and Encik Rosely bin Kusip have agreed to and would be standing for re-election at the coming AGM.</li><li>4. The Board and NRC's assessment and recommendations on the proposed re-election of Directors retiring pursuant are set out in Practice 5.1 of this report. The Board has also included a statement in the Notes of the Notice of 49<sup>th</sup> AGM for 2024 that the Board has endorsed the NRC's recommendation for the proposed re-election of the retiring Directors at the 49<sup>th</sup> AGM.</li></ol>
<b>Explanation for departure</b>	:	



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

<b>Measure</b> :		
<b>Timeframe</b> :		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"> <li>1. The NRC is made up of a majority of Non-Executive Directors with a majority of them being Independent Directors. The current composition of the NRC is in accordance with Bursa Listing Requirements and its Terms of Reference.</li> <li>2. The NRC is chaired by Encik Rosely bin Kusip, a Senior Independent Director who was appointed on 18 August 2021.</li> </ol> <p>The NRC's Terms of Reference is available on the Company's website under 'Investors' page.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<ol style="list-style-type: none"> <li>1. The Board currently comprises 6 Directors, of whom 1 is a woman (or 14%). The Company complies with Paragraph 15.02(1)(b) of the Bursa Listing Requirements which stipulates the requirement for listed issuer to have at least 1 female board member.</li> <li>2. The Board has not set any specific targets for gender diversity for the Company. However, the Board's policy on diversity is that it promotes advancement of diversity, including gender, as a consideration when recruiting new Directors. On this note, the Board will regularly review its skillsets to ensure they remain strategically relevant while also striving to enhance diversity whenever feasible.</li> </ol>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The NRC in arriving at its recommendations, conducts reviews based on objective assessments of the fit and proper criteria. The NRC's evaluations of candidates' suitability are based on their competencies, the required skillsets, character, experience, current Board composition and the Company's growth strategy.
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"> <li>1. The Board believes that diversity in the Board and senior management composition is essential for good governance and productivity. The Board is of the view that each member of the Board and senior management should be evaluated and/or appointed based on his/her merits with due consideration given to diversity, including gender diversity.</li> <li>2. The Company has in place a Board Diversity Policy that sets out the principles applied by FimaCorp to ensure diversity on the appointment and composition of its Board of Directors. However, the Board’s overriding aim is to ultimately appoint individuals with the requisite skillsets to the Board to drive forward the Group’s strategy.</li> <li>3. The Board acknowledges that there are opportunities to improve the number of women at senior management levels. The Board will endeavour to improve the number of women in the Group, at all levels, taking into account specific circumstances of the business operations and cultures in the countries in which we operate.</li> </ol>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

## Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <ol style="list-style-type: none"><li>1. Assessment of Board, Board Committees and individual Director's performance is carried out annually. The objective of the assessment is to track the Directors' discharge of their roles and responsibilities, areas for improvement, areas that need more attention, and to overall assess the effectiveness of the Board, Board Committees and individual Directors. Additionally, the attendance of Directors at the Board and Board Committees meetings, time commitment and trainings attended were reviewed and considered.</li><li>2. For FYE2024, the BEE was conducted internally. An external consultant is engaged to undertake a review of the effectiveness and structure of the Board and Board Committees every 3 years. The last externally facilitated BEE was in FYE2023.</li><li>3. The BEE involved the completion of a detailed questionnaire by each Director. The criteria on which assessment of the Board's effectiveness is carried out included:<ol style="list-style-type: none"><li>I. <u>Board Performance Assessment</u><ul style="list-style-type: none"><li>• Composition &amp; Quality of the Board</li><li>• Assessment of Board Chairman</li><li>• Boardroom Activities</li><li>• ESG or Sustainability</li><li>• Ethics and Compliance</li><li>• Board Meeting Process and Procedures</li></ul></li><li>II. <u>Nomination &amp; Remuneration Committee Assessment</u><ul style="list-style-type: none"><li>• Composition and Quality of Nomination and Remuneration Committee</li><li>• Oversight of appointment/election and performance evaluation of director and senior management</li><li>• Oversight of remuneration roles and responsibilities</li><li>• Committee Meeting Process and Procedures</li></ul></li></ol></li></ol>

	<p>III. <u>Audit and Risk Committee Assessment</u></p> <ul style="list-style-type: none"> <li>• Composition and Quality of Audit and Risk Committee</li> <li>• Oversight of the financial reporting and internal controls</li> <li>• Risk Management</li> <li>• Audit Committee Meeting Process and Procedures</li> <li>• Ethics and Compliance</li> </ul> <p>IV. <u>Individual Director Assessment</u></p> <ul style="list-style-type: none"> <li>• Fit and Proper</li> <li>• Contribution and Performance</li> <li>• Calibre and Personality</li> </ul> <p>4. A comprehensive report was then compiled by the Group Secretarial &amp; Legal Department based on the feedbacks received and presented to the Chairman of NRC for his feedback/views. The results of the BEE were then presented to the NRC for review and assessment of the findings together with the recommendations on further improvements. Subsequently, the reports were presented to the Board for review and discussion in developing action plans for improvement or in enhancing its overall effectiveness.</p> <p>5. The objective of the assessment is to track the Directors' discharge of their roles and responsibilities, areas for improvement, areas that need more attention and to assess the overall effectiveness of the Board, Board Committees and individual Directors.</p> <p>6. The evaluation exercise has affirmed that overall, the Board is active and engaged, and that the Board and its Committees have continued to discharge their responsibilities and duties effectively.</p>	
<p><b>Explanation for departure</b> :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b> :</p>		
<p><b>Timeframe</b> :</p>		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"> <li>1. The remuneration of Directors is reviewed by the NRC prior to making its recommendation to the Board for approval. Factors such as the Directors duties and responsibilities as Directors and members of Committees, time commitment and other matters are considered. The guidelines for determining the level of remuneration for Directors are clearly defined in the NRC’s Terms of Reference which is available under ‘Investors’ section of the Company’s website.</li> <li>2. The NRC recommends to the Board the remuneration package of Managing Director and it is the responsibility of the Board to approve the remuneration package of Managing Director, with the Managing Director concerned abstaining from deliberation and voting on the same. The NRC also carried out the annual review of the overall remuneration of senior management, reflecting their contributions for the year, whereupon relevant recommendations would be submitted to the Board for approval.</li> <li>3. The performance reward for Managing Director and senior management is based on the KPIs set by the Company.</li> </ol>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Remuneration Committee was established on 28 August 2001. On 24 May 2017, the Remuneration and Nomination Committees were combined to become the Nomination and Remuneration Committee for the purpose of convenience and practicality. The NRC is governed by a detailed Terms of Reference which is published on the Company's website under 'Investors' page.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### **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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The remuneration of individual Directors including breakdown of fees and other allowances and benefits in-kind paid and payable to individual Directors are disclosed in the Company's Annual Report 2024 under the Corporate Governance Overview Statement.</p> <p>The detailed remuneration received by each Director in FYE2024 is set out in the table below.</p>

No	Name	Directorate	Company							Group						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Datuk Bazlan bin Osman	Chairman / Independent Non-Executive Director	90,000	16,000	0	0	23,466	0	129,466	90,000	16,000	0	0	23,466	0	129,466
2	Dato' Roslan bin Hamir	Managing Director / Non-Independent Executive Director	0	0	287,856	209,605	62,089	95,691	655,241	0	0	575,712	419,209	86,964	191,371	1,273,256
3	Encik Rosely bin Kusip	Senior Independent Non-Executive Director	60,000	28,000	0	0	36,632	0	124,632	60,000	28,000	0	0	36,632	0	124,632
4	Encik Rezal Zain bin Abdul Rashid	Non-Independent Non-Executive Director	60,000	42,000	0	0	30,743	0	132,743	90,000	47,000	0	0	30,743	0	167,743
5	Dr. Roshayati binti Basir	Non-Independent Non-Executive Director	50,000	14,000	0	0	2,950	0	66,950	50,000	14,000	0	0	2,950	0	66,950
6	Encik Nik Feizal Haidi bin Hanafi	Independent Non-Executive Director	65,000	28,000	0	0	19,699	0	112,699	77,000	31,000	0	0	19,699	0	127,699

**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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:	The Board is of the opinion that such disclosure would be disadvantageous to the Group's business interests, given the highly competitive nature of the Group's business.	
		As an alternative to the recommended practice, the Board has opted to make a qualitative and quantitative disclosure of the Group's remuneration framework for senior management (including Managing Director), as per disclosure under Note 37(b) of the Audited Financial Statements for FYE2024. The disclosure includes the fees, salaries, allowances and bonuses, pension costs, and other staff benefits as well as items that form part of their remuneration.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	N/A

No	Name	Position	Company (`000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

**Practice 9.1**

The Chairman of the Audit Committee is not the Chairman of the board.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the ARC, Encik Nik Feizal Haidi bin Hanafi is an Independent Non-Executive Director and he is not the Chairman of the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	None of the ARC members are former key audit partners within the cooling-off period of at least 3 years. The requirement to observe a cooling-off period of at least 3 years for a former key audit partner before being appointed as a member of ARC has been included in the Terms of Reference of the ARC.  The profiles of ARC members are disclosed in Our Board of Directors section of the Annual Report 2024.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"><li>1. Under its Terms of Reference, the ARC is responsible for reviewing, assessing and monitoring the performance, suitability and independence of external auditor and to make subsequent recommendations to the Board on the appointment, re-appointment or removal of the external auditor.</li><li>2. The ARC had in May 2024 conducted an annual assessment of the effectiveness of the external auditor, Messrs. Ernst &amp; Young PLT (EY PLT) via a detailed questionnaire based on the following assessment areas for FYE2024:<ul style="list-style-type: none"><li>• Calibre of external audit firm</li><li>• Quality processes/performance</li><li>• Quality of the audit team</li><li>• Independent and objectivity</li><li>• Audit fees</li><li>• Audit communications</li></ul></li><li>3. The ARC also considered feedback obtained via assessment questionnaires from the Company's personnel who had substantial contact with the external audit team throughout the FYE2024. The external auditor was assessed based on the following assessment areas:<ul style="list-style-type: none"><li>• Engagement team skill and responsiveness; and sufficiency of resources.</li><li>• Quality of service provided by the external auditor.</li><li>• Communication and interaction with the external auditor.</li><li>• Independence, objectivity and professional scepticism.</li></ul></li><li>4. Based on the results of the assessment for FYE2024, the ARC was satisfied with the suitability of EY PLT as Company's external auditor for FYE2024. The ARC also obtained written confirmation from EY PLT that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of the relevant professional and regulatory requirements.</li><li>5. The Board had, at its meeting held on 25 June 2024, approved the ARC's recommendation on the re-appointment of EY PLT as external auditors of the Company for the financial year ending 31 March 2025 to the shareholders for approval at the forthcoming AGM. EY PLT have indicated their willingness to continue their services for the next financial year.</li></ol>

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

**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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	N/A

## 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.

<b>Application</b>	:	Applied																
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"> <li>The ARC presently consists of 3 members namely, Encik Nik Feizal Haidi bin Hanafi, Encik Rezal Zain bin Abdul Rashid and Encik Rosely bin Kusip.</li> <li>Encik Rezal Zain bin Abdul Rashid is a member of the Malaysian Institute of Accountants and is also a Certified Practising Accountant (Australia). The relevant qualifications and experience of each of the members of the ARC are set out in Our Board of Directors section of the Annual Report 2024.</li> <li>All ARC members have undertaken continuous professional development during the FYE2024. The trainings attended by the ARC which are relevant to their role are listed as follows: <table border="1" data-bbox="571 1249 1396 2018"> <thead> <tr> <th>ARC Member</th> <th>Training Attended</th> <th>Date Held</th> </tr> </thead> <tbody> <tr> <td rowspan="6">Encik Nik Feizal Haidi bin Hanafi <i>(Chairman)</i></td> <td>• The Audit Committee: How to Navigate Financial Reporting Oversight Amidst Potential Landmines of Misreporting? organised by Malaysian Institute of Corporate Governance</td> <td>29 May 2023</td> </tr> <tr> <td>• Environmental, Social and Governance ("ESG") Bursa Malaysia's Enhanced Sustainability Reporting organised by Ernst &amp; Young PLT</td> <td>12 July 2023</td> </tr> <tr> <td>• Audit Committee Conference 2023 organised by Malaysian Institute of Accountant</td> <td>14 September 2023</td> </tr> <tr> <td>• Board Oversight of Climate Risks and Opportunities organised by Iclif Executive Education Center, Asia School of Business by Bursa Malaysia Berhad</td> <td>10 October 2023</td> </tr> <tr> <td>• Fima's 2<sup>nd</sup> Virtual Summit Series 4 2023: Improving Workplace Dynamics: Achieving Harmony through Compliance &amp; Competencies (in-house)</td> <td>14 November 2023</td> </tr> <tr> <td>• PLCT Chairperson Masterclass: Leading the Change - Mastering Climate Action as a</td> <td>28 November 2023</td> </tr> </tbody> </table> </li> </ol>	ARC Member	Training Attended	Date Held	Encik Nik Feizal Haidi bin Hanafi <i>(Chairman)</i>	• The Audit Committee: How to Navigate Financial Reporting Oversight Amidst Potential Landmines of Misreporting? organised by Malaysian Institute of Corporate Governance	29 May 2023	• Environmental, Social and Governance ("ESG") Bursa Malaysia's Enhanced Sustainability Reporting organised by Ernst & Young PLT	12 July 2023	• Audit Committee Conference 2023 organised by Malaysian Institute of Accountant	14 September 2023	• Board Oversight of Climate Risks and Opportunities organised by Iclif Executive Education Center, Asia School of Business by Bursa Malaysia Berhad	10 October 2023	• Fima's 2 <sup>nd</sup> Virtual Summit Series 4 2023: Improving Workplace Dynamics: Achieving Harmony through Compliance & Competencies (in-house)	14 November 2023	• PLCT Chairperson Masterclass: Leading the Change - Mastering Climate Action as a	28 November 2023
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	• PLCT Chairperson Masterclass: Leading the Change - Mastering Climate Action as a	28 November 2023																

	Encik Nik Feizal Haidi bin Hanafi <i>(Chairman)</i> <i>(Cont'd)</i>	Chairperson - Managing Scope 3 Emissions organised by Institute of Corporate Directors Malaysia  • Mandatory Accreditation Programme Part II: Leading for Impact organised by Institute of Corporate Directors Malaysia	13 - 14 December 2023
	Rezal Zain bin Abdul Rashid <i>(Member)</i>	• SRI 2023 – Revving Up the Race for Sustainability organised by Securities Industry Development Corporate  • Mandatory Accreditation Programme Part II: Leading for Impact organised by Institute of Corporate Directors Malaysia  • Fima's 2 <sup>nd</sup> Virtual Summit Series 4 2023: Improving Workplace Dynamics: Achieving Harmony through Compliance & Competencies (in-house)	21 - 22 June 2023  7 - 10 August 2023  14 November 2023
	Rosely bin Kusip <i>(Member)</i>	• The Nominating & Remuneration Committees: What Roles Do These Committees Plan – Can Listed Issuers Do Without Them? organised by Malaysian Institute of Corporate Governance  • SRI 2023 – Revving Up the Race for Sustainability organised by Securities Industry Development Corporate  • Audit Committee Conference 2023 organised by Malaysian Institute of Accountant  • Board Oversight of Climate Risks and Opportunities organised by Iclif Executive Education Center, Asia School of Business  • Fima's 2 <sup>nd</sup> Virtual Summit Series 4 2023: Improving Workplace Dynamics: Achieving Harmony through Compliance & Competencies (in-house)  • Mandatory Accreditation Programme Part II: Leading for Impact organised by Institute of Corporate Directors Malaysia	20 June 2023  21 - 22 June 2023  14 September 2023  10 October 2023  14 November 2023  29 - 30 November 2023
<b>Explanation for departure</b> :			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b> :			
<b>Timeframe</b> :			

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"><li>1. Risk management is regarded by the Board as an important aspect of the Group's diverse and growing operations with the objective of maintaining a sound internal control system. To this end, the Group's ERM framework is generally aligned with the principles of MS ISO 31000:2018 Risk Management – Principles and Guidelines to ensure the Group's assets are well-protected and shareholders' value enhanced. The ERM framework adopted by the Group encompasses the risk assessment process, organisational oversight and reporting function.</li><li>2. Risk assessment, monitoring and review of the various risks faced by the Group are a continuous process within the key operating units with the RSC, a sub-committee of the ARC, playing a pivotal oversight function.</li><li>3. The RSC comprises of Board representatives from the Company and KFima and members of senior management. The RSC assists the ARC and the Board in overseeing the implementation of the Group's risk management framework.</li><li>4. The Group's business units identify the present and potential critical risks the Group faces including their action plans to manage these risks which are presented at the RSC's meeting by the Risk Coordinator.</li><li>5. RSC meets at least twice-yearly and reviews the risk exposures of the business units in respect to its business areas, operations, and finance and ensures that the risk management mechanisms and responses are adequate relative to the Group's strategy and objectives.</li><li>6. The Group's internal audit function is undertaken by GIA which reports directly to the ARC and administratively to the Managing Director. GIA assists the ARC by providing assurance on the adequacy and effectiveness of the Group's risk management and internal control systems.</li><li>7. Notwithstanding, the Board retains the overall risk management responsibility in accordance with best practice of the Malaysian Code on Corporate Governance, which requires the Board to identify principal risks and ensure the implementation of appropriate systems to manage these risks.</li></ol>

	Further details of the risk management and internal control frameworks can be found under the Statement on Risk Management and Internal Control of the Company's Annual Report 2024.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<ol style="list-style-type: none"><li>1. The Group's risk management framework is generally aligned with the principles of MS ISO 31000:2018 Risk Management – Principles and Guidelines, encompassing the features such as risk management processes, organisational oversight i.e., the accountability and responsibility for each reporting functions, and continual improvement of the framework. The framework provides the foundation and arrangement for the Group in managing the risks adequately. Systematic approach and process in managing risks and risk mitigation plans such as risks identification, evaluating, treating, monitoring, reviewing and reporting have been developed and further defined in the risk management policies and procedures which offers guide to risk owners in implementing effective and efficient risk management aligned with the business objectives.</li><li>2. The Board reviews the effectiveness, adequacy and integrity of the risk management framework and internal control system of the Group to ensure that significant risks faced by the Group are being managed appropriately to respond to the ever-evolving business environment.</li><li>3. The ARC provides oversight on governance, internal control system and financial matters while the RSC provides oversight over risk management. The Board reviews the effectiveness of the risk management and internal control system through the following monitoring and assessment mechanisms:<ul style="list-style-type: none"><li>• Quarterly reviews on the Group's actual financial and operational performance versus planned performance and other key financial and operational performance indicators.</li><li>• Reviews of specific transactions, projects or opportunities are also discussed between the management and the Board as and when required. This allows the Board and management to manage potential risks.</li><li>• Deliberation and discussion on reports issued by the GIA and external auditors pertaining to financial, operational, governance, risk management and control matters. The status of preventive and corrective actions for issues discussed are also escalated to the ARC to enable monitoring of the actions.</li><li>• Reviews of the Group's key risk areas and emerging risks, together with their potential impact and mitigating actions and change in risk exposure.</li></ul></li></ol>



	Statement on Risk Management and Internal Control, which provides an overview of the state of internal controls within the Group is provided in the Company's Annual Report 2024.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	N/A

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"> <li>1. The ARC is supported by the GIA which provides independent appraisal on the adequacy, efficiency and effectiveness of risk management, internal control and governance processes implemented by the business units.</li> <li>2. GIA reports directly to the ARC to ensure impartiality and independence. GIA communicates to management on audit observations noted in the course of their review and performs monitoring on the status of actions taken by the operating units. GIA is governed by a Charter approved by the ARC that sets out the purpose, roles, scope and responsibilities of the GIA.</li> <li>3. GIA's responsibilities include providing reports to the ARC and raising any significant issues with the ARC at the ARC meeting held on a quarterly basis. Matters of concerns raised by the ARC at the meeting were minuted and documented by the Company Secretary. Through the ARC meetings, ARC reviews the effectiveness of audit activities including audit follow-ups, the approved annual Audit Plan, resources, training and budget as well as other matters related to internal auditing.</li> </ol> <p>Further details of the internal audit function can be found in the Statement on Risk Management and Internal Controls of the Company's Annual Report 2024.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<ol style="list-style-type: none"><li>1. GIA is independent of the Group's business operations and has a mandate set out in its Audit Charter approved by the ARC. GIA performed its audit functions in accordance with the guidelines of the International Professional Practices Framework issued by the Institute of Internal Auditors Malaysia, Internal Audit Standard Operating Procedures and the annual Audit Plan approved by the ARC each year. The Audit Plan covers the scope of the audit work and resources needed to perform such work.</li><li>2. The Internal Audit Charter emphasize on its independency and objectivity and shall remain free from interference by any elements in the Group. GIA has no direct operational responsibility or authority over any of the activities audited.</li><li>3. Declaration on the relationship status of GIA personnel with any members within the Group and parties having business relationship with the Group is made during the recruitment process handled by the GHRA Department. All GIA personnel have confirmed that they are free from any relationships or conflicts of interest, which could impair their objectivity and independence. Name and qualifications such as academic and professional qualifications were disclosed/provided during the recruitment process and vetted by the GHRA. Such information was documented and made available for reference. This is in line with the requirements of the Company's Code of Conduct and Employee Handbook.</li><li>4. GIA consists of 1 Senior Manager, 1 Assistant Manager and 4 executives, all of whom are qualified and possess the required expertise and experience. GIA through the ARC meetings, regularly updates and notified the ARC number of current GIA resources and the status of current and future internal audit activities. GIA personnel constantly keep themselves abreast with developments in the profession, relevant industry and regulations through attendance at conferences/trainings/seminars.</li><li>5. GIA is headed by Muhammed Erman bin Mat Zoki who has over 16 years of working experience in the areas of audit, risk management, governance and compliance. He holds a Bachelor's Degree in Accountancy (Honours) from Universiti Utara Malaysia and</li></ol>

	International Certificate of Risk Management from the Institute of Risk Management.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"><li>1. The Company has in place a Corporate Disclosure Policy to provide the Group with appropriate guidance to discharge its disclosure obligations and ensure that all communications to the public by the Company are timely, complete and accurate in accordance with all applicable laws and regulations. The Corporate Disclosure Policy is available on the Company's website under the 'Investors' section.</li><li>2. The Board also believes that constructive and effective investor relations are essential in enhancing shareholder value and recognises the importance of timely dissemination of information to shareholders and other stakeholders. Such information is communicated through the Company's general meetings, annual reports, circular to shareholders, various disclosures and announcements to Bursa.</li><li>3. The Company's 48<sup>th</sup> AGM was conducted on a virtual basis on 29 August 2023 (48<sup>th</sup> AGM). Active participation by the shareholders was encouraged during the 48<sup>th</sup> AGM in which an online platform was made available to the shareholders to raise questions relevant to the 48<sup>th</sup> AGM agenda and appropriate response and clarification were promptly provided by the Board/management to the shareholders.</li><li>4. Shareholders are also kept informed through regular updates on the Company's website, which houses a wide range of information about the Group including the annual reports, financial results, corporate governance information such as Company's Constitution, Board Charter, Board Committees Terms of Reference and copies of the other corporate governance policies, individual profiles of Directors and senior management, general information about the Group's businesses, latest news/highlights, corporate profile and structure as well as sustainability report.</li><li>5. Shareholders may send their enquiries and concerns to the Company by emailing directly to the Company at <a href="mailto:fima@fimacorp.com">fima@fimacorp.com</a>.</li></ol>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		

**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.

<b>Application</b>	:	Not applicable – Not a Large Company	
<b>Explanation on application of the practice</b>	:	N/A	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Under the Company's Constitution, notice for general meeting shall be given to all members at least 14 days before the meeting or at least 21 days before the meeting where any special resolution is to be proposed or where it is an annual general meeting.</p> <p>The Company had dispatched the notice of its 48<sup>th</sup> AGM to its shareholders 28 days before the AGM, in advance of the 21-day requirement under the Companies act, 2016 and the Bursa Listing Requirements.</p> <p>The notice was also published in a nationally circulated newspaper as required under the Listing Requirements of Bursa Securities and is made available on Group's website. The notice of AGM was published in the English language.</p> <p>The explanatory notes to the Notice of the AGM had provided detailed explanations for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	<p>The Company's 2024 AGM is scheduled to be held on 29 August 2024 with the notice of AGM is dated 31 July 2024, giving shareholders 28 days' advance notice.</p>

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"> <li>1. All Directors, Managing Director, Company Secretaries and the external auditors were present at the 48<sup>th</sup> AGM of the Company which was held on 29 August 2023 as a virtual meeting through live streaming and online remote voting.</li> <li>2. During the 48<sup>th</sup> AGM, the Chairman of the meeting invited members to raise any questions on the agenda items tabled. Members have encouragingly taken the opportunity to raise questions on the agenda items of the AGM. Appropriate answers/respond are provided by the Chairman and Managing Director in order to allow the members to make informed voting decisions at the AGM.</li> <li>3. At the 48<sup>th</sup> AGM, each distinct issue is proposed as a separate resolution. All resolutions are put to the vote by electronic poll voting. Independent scrutineers are appointed for voting process and verify votes for each resolution. The results of the electronic poll voting are announced immediately to the members after the voting process is closed and subsequently, to Bursa. The minutes of AGM together with the voting results are also available on the 'Investors' page of the Company's website.</li> <li>4. Key matters resolved at the 48<sup>th</sup> AGM are: <ul style="list-style-type: none"> <li>• Receipt of the audited financial statements for FYE2023.</li> <li>• Re-election of Directors who retire by rotation.</li> <li>• Payment of fees for Company's Non-Executive Directors.</li> <li>• Payment of fees for Non-Executive Directors who sit on the Boards of subsidiary companies.</li> <li>• Remuneration for the Non-Executive Directors.</li> <li>• Re-appointment of Messrs Ernst &amp; Young PLT as the Company's auditors and to authorise the Directors to fix their remuneration.</li> <li>• Renewal of the general mandate for PT Nunukan Jaya Lestari, the Group's Indonesian subsidiary to enter into recurrent related party transaction with PT Pohon Emas Lestari.</li> <li>• Grant of a general mandate to buy back the Company's shares.</li> </ul> </li> </ol>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

<b>Measure</b> :		
<b>Timeframe</b> :		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's 48<sup>th</sup> AGM held on 29 August 2023 was conducted on a virtual basis through live streaming and online remote voting from the Broadcast Venue via Remote Participation and Electronic Voting (RPEV) facilities. RPEV facilities allowed the remote participation and online voting by all shareholders.</p> <p>An Administrative Guide which furnished useful information regarding the conduct of the 48<sup>th</sup> AGM together with the explanatory guide on remote participation and voting were circulated to the shareholders together with the notice of the AGM.</p> <p>The Company has appointed Boardroom Share Registrars Sdn. Bhd. as the Poll Administrator to conduct the poll by way of electronic voting (e-Voting) and SKY Corporate Services Sdn. Bhd. as Scrutineers to verify the poll results.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<ol style="list-style-type: none"><li>1. The shareholders were invited to submit their questions pertaining to the Company's financial and non-financial matters in advance of the 48<sup>th</sup> AGM and also offered the opportunity to ask questions during the 48<sup>th</sup> AGM electronically.</li><li>2. The Chairman/Managing Director endeavoured to address as many questions from shareholders as possible at the 48<sup>th</sup> AGM, within the allocated timeframe.  The Managing Director also engaged the shareholders by giving a brief presentation on the key highlights of the Group's, financial and operational performance and sustainability highlights.</li><li>3. The minutes of AGM together with the questions from the shareholders and the responses therefrom were then published on the Company's website.</li></ol>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### 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.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The 48<sup>th</sup> AGM of the Company held on 29 August 2023 was conducted on a virtual basis through an online meeting platform provided by Boardroom Share Registrars Sdn. Bhd. Members were allowed to participate remotely through live streaming and online remote voting via RPEV facilities. The RPEV facilities provides a smooth broadcast, where shareholders had the ability to remotely participate in the AGM, cast electronic votes on all resolutions in real time and engage with the Chairman/Board through questions submitted through RPEV facilities.</p> <p>Results of the e-voting are made in real time, ensuring transparency, accountability and accuracy. Results were also announced by the Company to Bursa on the same day after the conclusion of the AGM. The minutes of AGM was also made available on the Company's website under 'Investors' page.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**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>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	The Company published the minutes of the 48 <sup>th</sup> AGM on the Company's website under 'Investors' page within 30 business days after the Company's AGM. The minutes of the AGM was subsequently tabled and affirmed by the Board at the meeting held in November 2023.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT  
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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