

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 5135  
**COMPANY NAME** : SARAWAK PLANTATION BERHAD  
**FINANCIAL YEAR** : December 31, 2021

### **OUTLINE:**

#### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

#### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### Intended Outcome

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

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board sets the vision and the strategies of the Company, placing great emphasis on enhancing shareholders' value and investors' confidence whilst maintaining a high standard of integrity. The Board also sets the framework for which the Company shall operate, in particular, the areas of anti corruption, governance, sustainability, internal control, risk management, succession planning, business and investment strategies. The Board puts together its diverse expertise and experience to render direction and guidance to the Company. Its diverse expertise and experience also help to effectively monitor implementation of the visions and strategies which have been set and to bring them to reality.</p> <p>Key areas reserved for the Board's approval include the annual budget, dividend declaration, capital expenditure beyond a certain limit, acquisitions/disposals of properties/materials of substantial value, appointment of consultants for specific assignments and changes to the management and control structure within the Company.</p> <p>The full details of the roles and responsibilities of the Board of Directors are captured in the Board Charter which is published on the Company's website.</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>	:		
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**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>	:	<p>The Company is helmed by our Executive Chairman, Datuk Amar Abdul Hamed bin Sepawi, who believes that integrity and commitment are key components of good corporate governance practice.</p> <p>At Board Meetings, the Executive Chairman leads discussions, encourages active participation and allows dissenting opinions to be aired from both the Directors and Management representatives who are invited to attend Board Meetings.</p> <p>2021 was another year under the new normal with the Company continuing to battle against limitations caused by the COVID-19 pandemic, the weather and the uncertainties of commodity prices. The new normal conditions were restrictive but not impossible to overcome. The Executive Chairman masterfully steered the Company through these adverse impediments and coupled with the buoyant CPO price made 2021 another year with exceptionally good achievements. Further details can be found in the "Message to Our Shareholders" section of the Annual Report 2021.</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

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>	:	<p>For the financial year ended 31 December 2021, the Executive Chairman continues to lead the Board in its collective oversight of management, day to day corporate relations and public affairs and the setting of policies and strategies of the Company. The day to day running of the operation of the Company is in the hands of the Executive Director / CEO.</p> <p>Restrictions that arose because of the COVID-19 pandemic are admittedly challenging but it did not stop the Executive Director from carrying out his duties to run the day to day operations of the Company in an efficient manner. Flowing from the experience of the previous year, meetings to discuss operational and financial issues with the Key Management Personnel and staff via various online platforms, emails, telephone calls and text messages is now common. With the loosening of the State's COVID-19 SOPs, some physical meetings were carried out in the later part of 2021. Despite these changes in the mode of management, no negative impact on the performance of the Group was observed. Instructions were still effectively communicated to the staff through the various channels stated above and issues continued to be addressed and resolved swiftly. Together with the buoyant CPO price, Profit before Tax for financial year ended 2021 more than doubled that of financial year ended 2020. Undoubtedly, the Executive Director continued to lead the Company to stay ahead in unparalleled times.</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

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

*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'.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Chairman of the Board is not a member of the Audit Committee, Nomination Committee or the Remuneration Committee.
<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>	:	<p>The Board of Directors, as a whole or as individuals, has direct access to advice and the dedicated support services of the Company Secretary in ensuring effective discharge of its roles and responsibilities. The Company Secretary also provides the Board with guidance on matters relating to good corporate governance practices, eg. disclosures, accountability and transparency.</p> <p>The Company Secretary attends all Board Meetings. She ensures that the meetings are properly convened and that proceedings and deliberations are accurately minuted. She subsequently communicates pertinent decisions to the Management for appropriate actions to be taken. The Board of Directors is updated on the follow up actions / status of implementation of its decisions through the board papers which are compiled by the Company Secretary.</p> <p>The Company Secretary also updates the Board of Directors on the latest amendments to legislation and corporate announcements released by Bursa Malaysia Securities Berhad (Bursa Securities) and how these amendments impact the Company.</p> <p>Notification will be sent to the Directors by the Company Secretary where there are impending restrictions in dealing with the securities of the Company at least 1 month prior to the announcement of the quarterly results.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretary.</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>	:		
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**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>	:	<p>All Directors are supplied with ample information through board papers and have free access to the Management and all other staff at all times to inquire or request for further information. These papers are circulated to the Directors at least 1 week before the date of the Board and Board Committee Meetings.</p> <p>At Board and Board Committee Meetings, the Directors actively engage with the Management to review and discuss financial and operational information and progress reports relating to the crucial aspects of the operation.</p> <p>Draft minutes of the Board and Board Committee Meetings are circulated to the Directors for comments on the same day after conclusion of the said Board or Board Committee Meetings.</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**

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>	:	The full details of the roles and responsibilities of the Board of Directors are captured in the Board Charter which is published on the Company's website. The Board Charter is reviewed periodically and as and when necessary so that it remains relevant to the expectations of the investing public and the shareholders of the Company.	
<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 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>	:	<p>The Company has in place a Code of Conduct which sets the boundaries of acceptable behavior for employees. Amongst the areas covered are prohibition of corrupt practice, conflict of interest and sexual harassment. The Code of Conduct is also an integral part of the Employee Handbook which is given to all employees and new recruits. New policies, as and when implemented, will be disseminated to the employees.</p> <p>The Company also has in place a Corporate Disclosure Policy which governs dissemination of confidential information and how confidentiality of such information is to be maintained and safeguarded.</p> <p>The Anti Bribery and Anti Corruption Policy, Whistle Blowing Policy, Safety and Health Policy, Environmental and Biodiversity Policy, Social Policy, Sustainability and Succession Planning Policy have also been established.</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 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>	:	<p>The Company has in place a whistle blowing policy which provides an avenue for employees as well as third parties to report genuine concerns in relation to breach of a legal obligation (including negligence, criminal activity, breach of contract and breach of law), miscarriage of justice, danger to health and safety or to the environment and the cover up of any matters in the workplace.</p> <p>The process to objectively investigate legitimate concerns has also been established. The whistle blower is also assured that any concern raised is treated in the strictest confidence and without risk of reprisal.</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 4.1

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>	:	The Board takes the lead role on sustainability matters of the group. The Management led by the Executive Director formulates sustainability strategies and other material matters based on economic, environmental and social risks and opportunities that have impact on the Group. The strategies proposed are then further reviewed and endorsed by the Board Sustainability Committee, while the HSE, Risk & Sustainability Department together with estate and mill management, an integral part of the management structure, implement sustainability strategies and programmes.  The rules and practices that govern our sustainability initiatives are built on transparency, fairness and accountability. The principles of good corporate governance are embedded in our policies and procedures to effectively and efficiently fulfil our sustainability responsibilities.	
<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 4.2**

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>	:	<p>The Group's method of communication of its sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders through various channels. The Sustainability Report which sets out in further detail these engagement methods are approved by the Board of Directors before publication in the Annual Report.</p> <p>Internal - trainings, emails, meetings, etc. External - company website, Annual Report, engagement with external stakeholders, etc.</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 4.3**

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>	:	Sustainability principles are entrenched into every one of our operation. The Board is keenly aware that environmental, sustainability and governance matters are deeply intertwined with each other. In the long run finding the right balance between environmental, sustainability and governance matters and maximising production and profit will lead to long term business existence and enhanced investor confidence.	
<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>	:	The Board and Senior Management Performance Evaluation for financial year ended 31 December 2021 included a review of the performance of the board in addressing the Company's material sustainability risks and opportunities.
<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.

*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.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Executive Director is the person designated by the Company to take charge of sustainability matters.

**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>	:	<p>The Nomination Committee conducts formal assessment of the Board's effectiveness as a whole, the contribution of each Director and the various Board Committees. It also assesses the independence of the Independent Directors annually. This assessment includes the directors seeking re-election. Naturally only those with satisfactory evaluation results are recommended to the Board for re-election.</p> <p>Areas of assessment include composition, knowledge, skills and experience. In terms of independence, the Independent Director must satisfy the requirements of Paragraph 1.01 and Practice Note 13 of the Main Market Listing Requirements.</p> <p>In 2021, Ali bin Adai, an Independent Non Executive Director retired from the Board of Directors on 13 August 2021. 2 Independent Non Executive Directors were appointed in 2021. On 5 April 2021, Chia Chu Fatt was appointed and on 15 September 2021, Dato Awang Beme bin Awang Ali Basah was appointed.</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**

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>	:	<p>The Board of Directors of the Company comprises 7 directors, 4 of whom are independent. Of the remainder, 2 are Executive Directors and the 1 other is a Non Independent Non Executive Director. The Chairman of the Company is one of the Executive Directors.</p> <p>The composition of the Board is such that more than half the Board comprises independent directors.</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 5.3**

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>	:	None of our independent directors have served for more than a cumulative term of 9 years.	
<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>	:	

## 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>	:	<p>The Board believes in fair and equal opportunity for all. Hence recruitment is based on talent, ability and capacity that can be brought onto and shared with the Board Members and the Company in general.</p> <p>The details in terms of diversity of the current Board and the Key Management Personnel are as shown below :</p> <p><b>Board of Directors (as per Annual Report 2021)</b></p> <table border="1"><thead><tr><th rowspan="2"></th><th colspan="3">Race</th><th colspan="3">Age</th><th colspan="2">Gender</th></tr><tr><th>Malay</th><th>Chinese</th><th>Dayak</th><th>50-59</th><th>60-69</th><th>70-80</th><th>Male</th><th>Female</th></tr></thead><tbody><tr><td>No. of Directors</td><td>4</td><td>2</td><td>1</td><td>1</td><td>4</td><td>2</td><td>6</td><td>1</td></tr></tbody></table> <p><b>Key Management Personnel (as per Annual Report 2021)</b></p> <table border="1"><thead><tr><th rowspan="2"></th><th colspan="2">Race</th><th colspan="3">Age</th><th colspan="2">Gender</th></tr><tr><th>Malay</th><th>Chinese</th><th>30-49</th><th>50-69</th><th>60-80</th><th>Male</th><th>Female</th></tr></thead><tbody><tr><td>No. of Personnel</td><td>2</td><td>3</td><td>1</td><td>3</td><td>1</td><td>2</td><td>3</td></tr></tbody></table> <p>Details of the skills and experience possessed by the Directors are found on pages 10 to 16 of the Annual Report 2021 and details of the skills of the key management personnel are found on pages 19 to 21 of the Annual Report 2021. With much diversity in skills, experience, age, cultural background and gender comes a larger pool of ability and capability to make better judgements and decisions.</p> <p>The Boards also takes cognizance of the amount of time that each Director can commit to the Board and Company to serve them effectively. Hence the Directors are also assessed on this point by the Nomination Committee when evaluating the performance of each of the Directors.</p>		Race			Age			Gender		Malay	Chinese	Dayak	50-59	60-69	70-80	Male	Female	No. of Directors	4	2	1	1	4	2	6	1		Race		Age			Gender		Malay	Chinese	30-49	50-69	60-80	Male	Female	No. of Personnel	2	3	1	3	1	2	3
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<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 5.6

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>	:	<p>The Board has established for the Nomination Committee clear guidelines to follow when evaluating a candidate identified for appointment as a Director. Hence, regardless of who made the recommendation, each identified candidate has to be evaluated and assessed by the Nomination Committee before the candidate is recommended to the Board. The bottom line is the recommended candidate must possess the right mix of skill, experience and other qualities, including core competencies which can assist the Board in decision making.</p> <p>In 2021, Ali bin Adai, an Independent Non Executive Director retired from the Board of Directors on 13 August 2021. 2 Independent Non Executive Directors were appointed in 2021. On 5 April 2021, Chia Chu Fatt was appointed and on 15 September 2021, Dato Awang Beme bin Awang Ali Basah was appointed.</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 5.7**

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>	:	The profile of all the Directors is provided in the Annual Report 2021. Further the Explanatory Notes to the Notice of AGM for 2022 also provides a statement to the effect that steps have been taken to evaluate the eligibility of the directors standing for re-election and that the Board with the exception of the directors standing for re-election supports the recommendation of the Nomination Committee that these directors be eligible for re-election and re-appointment.	
<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 5.8**

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>	:	The Chair of the Nomination Committee for the financial year ended 31 December 2021 was Brigadier General Dato' Muhammad Daniel bin Abdullah (Retired), an Independent Non Executive 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 5.9**

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>	:	At present, 1 out of the 7 Board Members is a woman. At the key management personnel level however, 60% are women. The Board has not established a formal policy on gender, ethnicity and age group thus far. The Board believes that the Group is not disadvantaged in any manner without this policy as it is committed to provide fair and equal opportunities to all.	
<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 5.10**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board has not established a formal policy on gender, ethnicity and age group thus far. The Board believes that the Group is not disadvantaged in any manner without this policy as it is committed to provide fair and equal opportunities to all.	
<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>	: The Nomination Committee conducts formal assessment of the Board's effectiveness as a whole, the contribution of each Director and the various Board Committees. It also assesses the independence of the Independent Directors annually.  Areas of assessment include composition, knowledge, skills and experience. In terms of independence, the Independent Director must satisfy the requirements of Paragraph 1.01 and Practice Note 13 of the Main Market Listing Requirements.  Currently, the Board does not engage independent experts periodically to facilitate objective and candid board evaluations. Nevertheless, the Board is mindful of this option and may utilize it at a more appropriate juncture.
<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 7.1

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>	:	<p>The remuneration policy seeks to attract, maintain and retain a set of Directors and key management personnel of requisite calibre to meet the demands and complexities of the job. The corporate values are also part and parcel of the qualities looked for in a Director and a key management personnel. The remuneration package is linked to seniority, position, experience, commitment, personal performance and the Company's overall performance.</p> <p>For the financial year ended 31 December 2021, the approving authority for the remuneration of the various categories of personnel are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="3">Approving Authorities</th> <th rowspan="2">Review Interval</th> </tr> <tr> <th>Shareholders</th> <th>Board</th> <th>ED</th> </tr> </thead> <tbody> <tr> <td>Remuneration of the Board of Directors</td> <td>x</td> <td></td> <td></td> <td>Annual</td> </tr> <tr> <td>Remuneration of the Key Management Personnel</td> <td></td> <td>x</td> <td></td> <td>Annual</td> </tr> <tr> <td>Key Management Personnel Annual Salary Increment / Adjustment</td> <td></td> <td>x</td> <td></td> <td>Annual</td> </tr> <tr> <td>Key Management Personnel Annual Performance Incentive / Bonus</td> <td></td> <td>x</td> <td></td> <td>Annual</td> </tr> <tr> <td>Staff Annual Salary Increment / Adjustment</td> <td></td> <td></td> <td>x</td> <td>Annual</td> </tr> <tr> <td>Staff Annual Performance Incentive / Bonus</td> <td></td> <td></td> <td>x</td> <td>Annual</td> </tr> <tr> <td>Remuneration of new recruits - Key Management Personnel</td> <td></td> <td>x</td> <td></td> <td>n/a</td> </tr> <tr> <td>Remuneration of new recruits - Staff</td> <td></td> <td></td> <td>x</td> <td>n/a</td> </tr> </tbody> </table>				Item	Approving Authorities			Review Interval	Shareholders	Board	ED	Remuneration of the Board of Directors	x			Annual	Remuneration of the Key Management Personnel		x		Annual	Key Management Personnel Annual Salary Increment / Adjustment		x		Annual	Key Management Personnel Annual Performance Incentive / Bonus		x		Annual	Staff Annual Salary Increment / Adjustment			x	Annual	Staff Annual Performance Incentive / Bonus			x	Annual	Remuneration of new recruits - Key Management Personnel		x		n/a	Remuneration of new recruits - Staff			x	n/a
Item	Approving Authorities			Review Interval																																																	
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Remuneration of new recruits - Key Management Personnel		x		n/a																																																	
Remuneration of new recruits - Staff			x	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**

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 is charged with looking into remuneration policies which attract, maintain and retain a set of Directors and key management personnel of requisite calibre to propel the Company towards greater prospects and growth.  The Terms of Reference of the Remuneration Committee are found on the Company's website.	
<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 breakdown of the individual directors is found in the table below.</p> <p>In 2021, Ali bin Adai, did not seek re-election and retired on 13 August 2021. He was our Independent Non Executive Director. His remuneration till the date of his resignation is also disclosed in the table below.</p> <p>The Company's Directors' remuneration was approved by the Shareholders at the 24<sup>th</sup> Annual General Meeting of the Company held on 13 August 2021.</p>





**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>	:		
<b>Explanation for departure</b>	:	<p>The Company has an existing policy whereby remuneration of all its employees, apart from Directors, is classified as confidential. This is a precautionary stand taken by the Company to prevent dissatisfaction and animosity among staff. It is of the opinion that disclosure of salary, bonus, benefits in kind and other emoluments even though in bands of RM50,000 but on named basis will create negative repercussions.</p> <p>In line with this policy, the remuneration of the key management personnel of the Company will not be disclosed.</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**

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>	:	



**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 Audit Committee, Datu Haji Soedirman bin Haji Aini, is not the Chairman of the Board.  The Terms of Reference of the Audit Committee also provides that the position of the Chairman of the Audit Committee cannot be held by 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>	:	It is a policy of the Audit Committee not to appoint a former audit partner who had been auditing the Company's financial statements as a member of the Audit Committee unless a 3 years' cooling off period has been observed.  This is part of the Audit Committee's Terms of Reference.	
<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>	:	<p>Yearly, the External Auditors, KPMG PLT, present its Audit Plan to the Audit Committee in the meetings scheduled in November. In the year under review, the 2021 Audit Plan was presented to the Audit Committee in November 2021. The matters highlighted included the names of key personnel assigned to conduct the audit, the audit timeline, the areas of focus and the materiality thresholds.</p> <p>Aside from the above, the Audit Committee also met with KPMG PLT on separate occasions in the year for discussions on its audit, its findings and its interaction with the Management and staff in relation to the audit engagement. These independent meetings not only help the Audit Committee to better assess KPMG PLT's performance but it also provides the latter an opportunity to highlight issues, if any, in the absence of the Management. Through these engagements, the Audit Committee will form its opinion on the suitability and objectivity of the performance of KPMG PLT and the level of its independence throughout the audit exercise.</p> <p>KPMG PLT also provides assurance of its independence to the Audit Committee in online meetings and this assurance is recorded in the Minutes of Meeting of the Audit Committee.</p> <p>Having regard to all the factors, the Board had approved the Audit Committee's recommendation that shareholders' approval be sought at the forthcoming AGM for the reappointment of KPMG PLT as the External Auditors of the Company.</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>	:		
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**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>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	Throughout the financial year ended 31 December 2021, all 3 members of the Audit Committee were Independent Non Executive Directors of the Company.  The Terms of Reference of the Audit Committee also provide that the Audit Committee should comprise solely of Independent Non Executive Directors.

**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>	:	<p>The Audit Committee possesses a wide range of requisite skills to discharge its duties. As provided in the Terms of Reference of the Audit Committee, all members are financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.</p> <p>The Chairman of our Audit Committee and 1 other Member, Chia Chu Fatt, are members of the Malaysian Institute of Accountants. The other qualifications and experience of the Audit Committee Members are disclosed in the "Board of Directors" portion of the Annual Report 2021 and found on pages 10 to 16.</p> <p>The Audit Committee is always kept up to date with the relevant developments / changes in accounting and auditing standards, practices and rules by the Chief Financial Officer and the External Auditors.</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 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>	:	<p>The Risk Management Committee which was established on 1 May 2007 forms an integral part of effective management of the Company. It seeks to identify and address principal risk areas which include business, corruption, business continuity, environment, human capital, safety, security, operation and sustainability of the Company with the aim of preventing, where possible, and mitigating these risks.</p> <p>The Company's risk management and internal control system is designed to manage and mitigate risks that may impede the Company's achievements or its objective. Due to the limitations inherent in any risk management and internal control system, it is not possible to totally eliminate risks.</p> <p>Further details of the Company's risk management and internal control system are found in the Statement on Risk Management and Internal Control found on pages 64 to 66 of the Annual Report 2021. The Statement on Risk Management and Internal Control has been reviewed by KPMG PLT, the External Auditors.</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 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>	:	The features of the Company's risk management and internal control framework and the adequacy and effectiveness of this framework are described in the Statement on Risk Management and Internal Control found on pages 64 to 66 of the Annual Report 2021. The Statement on Risk Management and Internal Control has been reviewed by KPMG PLT, the External Auditors.	
<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>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Members of the Risk Management Committee in the financial year ended 31 December 2021 were Chia Chu Fatt, Datu Haji Soedirman bin Haji Aini, Brigadier General Dato' Muhammad Daniel bin Abdullah (Retired) and Datuk Amar Abdul Hamed bin Sepawi, the majority of whom are Independent Non Executive Directors of the Company.</p> <p>The Terms of Reference of the Risk Management Committee state that the Risk Management Committee shall comprise a majority of independent directors.</p>



**Intended Outcome**

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

**Practice 11.1**

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Internal Audit Department's activities, its position within the Company, including the functional direct reporting and access of the Internal Audit Manager to the Audit Committee is established in the Company's Internal Audit Charter. The final approval of the Internal Audit Charter resides only with the Audit Committee.</p> <p>The Internal Auditors are expected to apply and uphold the principles stated in the Internal Audit Charter which had been duly approved by the Audit Committee.</p> <p>In managing and ensuring independence and objectivity for internal auditors, the Audit Committee determines the tasking, appraisal and remuneration of the Internal Audit Manager to avoid potentially harmful influences and incentivizing wrong outcomes.</p> <p>Further, the Internal Audit Manager also confirms to the Audit Committee at least annually the organizational independence of the internal audit activity.</p> <p>The Audit Committee tables its Report to the Board of all meetings held so that the Board is apprised of the matters reviewed and deliberated upon in the Audit Committee Meetings.</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>	:	<p>The Internal Audit Department is managed by Abang Ahmad Bin Abang Mohd Kassim, our Internal Audit Manager. He is responsible for the internal audit's activities. He has a Degree in Accountancy, a Graduate Diploma in Business and Management MBA Part 1 and is a member of the Incorporated Society of Planters (ISP).</p> <p>The Internal Audit Department is currently manned by 2 other personnel. The internal audit activity is independent and internal auditors are objective in performing their work to avoid any impairment.</p> <p>The internal audit function is carried out in accordance with the principles stated in the Internal Audit Charter which had been duly approved by the Audit Committee.</p> <p>The Internal Audit Manager communicates with the Audit Committee on the internal audit's resource requirement and staff's proficiency to optimize the effectiveness of the approved annual audit plan.</p> <p>The Internal Audit Manager also confirms to the Audit Committee at least annually the organizational independence of the internal audit activity and that the internal audit activities of the Group have been carried out in line with the Internal Standards for the Professional Practice of Internal Auditing.</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>	:		
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### 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>	:	<p>The Company recognizes the importance of effective communication with its shareholders and investors.</p> <p>Various channels are used by the Board to disseminate information on major corporate developments and events. They include:</p> <ul style="list-style-type: none"><li>- Annual General Meetings;</li><li>- Various disclosures and announcements made to Bursa Malaysia Securities Berhad;</li><li>- Press release and press statements;</li><li>- Circular to shareholders;</li><li>- Company website at <a href="http://www.spbgroup.com.my">www.spbgroup.com.my</a></li></ul> <p>Further the investing community, comprising individuals, analysts, fund managers and other stakeholders, dialogues with the Company's representatives on a regular basis. This enables the investors to get a balanced understanding of the main issues and concerns affecting the Company. Discussions at such meetings and dialogues are restricted to matters that are in the public domain. For year 2021, the discussions were held via various online platforms.</p> <p>Whilst the Company endeavours to provide as much information as possible to its stakeholders, it is also conscious of the legal and regulatory framework governing the release of material and price sensitive information within which it must abide.</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>	:		
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**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>	:		
<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>	:	Since the AGM held in 2018 and in its efforts to maintain good corporate governance practices, the Company has been giving its shareholders at least 28 days of notice before its AGM is convened.	
<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 13.2**

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>	:	<p>It has always been the practice of the Company that all Directors be present at its AGM. As this is a forum for shareholder engagement, the Chairman encourages shareholders present to raise their concerns and depending on the topic asked, will either answer the question himself or direct it to any of the Directors present who is more suited to address the issue.</p> <p>All Key Management Personnel are also present at the AGM. They too assist to provide response to queries raised.</p> <p>The Notice of AGM also sets out clearly the resolutions which will be tabled and provides explanatory notes to assist shareholders make informed decisions.</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**

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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company's AGM has always been held at easily accessible venues for the convenience of the shareholders. The Company has no intention to hold its AGM in remote locations in the future.	
<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.

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Before proceeding with the first resolution in the Agenda, the Chairman will always address questions which have been sent in earlier by the shareholders and thereafter open the time for open engagement with shareholders present at the meeting. Shareholders are encouraged not only to pose questions involving the Company's financial and non financial and long term strategies but also to share their views and opinions on the current position and future path of the Company for the Board and Key Management Personnel's consideration.
<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>	: Not applicable – only physical general meetings were conducted in the financial year
<b>Explanation on application of the practice</b>	:
<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>	: Since the 24 <sup>th</sup> AGM held on 13 August 2021, the minutes of the general meeting have been posted in the Company's website within 30 business days after the general meeting. This practice will be maintained.
<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>	:  