

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0051
COMPANY NAME : CUSCAPI BERHAD
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board collectively holds the responsibility for charting the strategic direction and overseeing the operations of the Company and its subsidiaries (“Group”), along with accessing the management efficacy. They conscientiously consider the interests of all stakeholders in their decision-making processes to ensure the Group's objectives of fostering long-term sustainability for the benefit of its stakeholders are achieved.</p> <p>The Board has established and publicly disclosed the Group's vision and mission on the corporate website to ensure effective communication with all stakeholders. To ensure effective alignment with the Company's goals, the Board will access on the sustainability, effectiveness and implementation of the strategic plans to be carried out by the Company.</p> <p>The Company is led by an experienced Board of Directors with high personal integrity, business acumen and management skills. Implementation of a Fit and Proper Policy within the Company also ensures the directors meet required standards. Moreover, the Board Charter available on the corporate website, clearly outlined the roles and responsibilities of the Board. Beyond their fiduciary duties and responsibilities, the activities of the Board include reviewing and approving annual business plans, approving the annual capital and operating budget, and monitoring financial and operating performance of the Group.</p> <p>In addition, the Board is supported by two Board Committees, namely the Audit and Risk Management Committee (“ARMC”) and the Nomination and Remuneration Committee (“NRC”) to oversee matters within their approved purviews. Each committee will report to the Board and provide requisite recommendations to aid in fulfilling their duties.</p> <p>The Board also emphasized the importance of upholding the integrity and ethical values throughout the Group. This principle extends to the</p>

	Company's financial and non- financial reporting to ensure reliability, timeliness, transparency and compliance with relevant standards.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied	
Explanation on application of the practice	:	The Executive Chairman of the Board, Datuk Jayakumar A/L Panneer Selvam assumes leadership responsibility by offering effective strategic direction and essential governance oversight to the Company. His roles include ensuring the proper functioning of the Board through implementation of good corporate governance practices and procedures. Furthermore, he fosters positive relationships among Board members and between the Board and the management. Additionally, he is accountable for facilitating effective communication with shareholders and other pertinent stakeholders.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of Chairman and Chief Executive Officer (“CEO”) of Cuscapl Berhad are held by different individuals, with Datuk Jayakumar A/L Panneer Selvam serving as Chairman and Mr Fang Kok Hong as CEO. The board charter delineates clear divisions of responsibilities between these two positions.</p> <p>The Board believes that the segregations of roles of Chairman and CEO promotes accountability and ensures a balance distribution of power and authority within the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Departure
Explanation on application of the practice :	
Explanation for departure :	<p>The Chairman of the Board does not serve as a member of any of the Board Committees (i.e. ARMC and NRC).</p> <p>However, he is invited to attend the Board Committees meetings where his presence is considered appropriate as determined by respective Board Committees Chairman/Chairperson. During these meetings, his present is valued for offering constructive ideas and opinions, without involvement in management and operational matters.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	Choose an item.

Intended Outcome

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

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is supported by two (2) external Company Secretaries with requisite credentials and both qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016.</p> <p>Both the Board and its Board Committees have unrestricted access to the advice and services provided by the Company Secretaries to ensure effective functioning of the Board and to uphold regulatory compliance. The Company Secretaries are responsible for updating the Board on new statutory and regulatory requirements, as well as their implications on the Group and Directors concerning their fiduciary duties and responsibilities. Additionally, they assist the Board in applying best practices to meets the Company's goals and stakeholders' expectations.</p> <p>The Company Secretaries would attend the meetings of the Board, Board Committees, and shareholders to ensure these meetings are properly convened and to maintain proper records of the proceedings and resolutions passed. They also consistently engage in relevant training and professional development programmes to stay updated on the evolving regulatory changes and development in the field of corporate governance, ensuring that they can provide appropriate advice and updates as needed.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretaries during the financial period under review.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>The annual meeting dates of the Board, Board Committees and shareholders are scheduled and circulated in advance to facilitate the Board's time planning.</p> <p>Prior to the Board and Board Committees meetings, notices of meetings along with relevant agendas and board meeting papers endorsed and recommended by relevant senior management personnel containing information for deliberation will be circulated to all directors no later than seven (7) days before the scheduled date of each meeting. However, exceptions apply for meetings called on an ad-hoc basis for special matters or urgent proposals requiring the Board's immediate review or consideration for approval.</p> <p>Based on the reasonable notice period, the Board will have sufficient to thoroughly review the provided information, pose inquiries, request additional clarification as needed and actively contribute during the meetings to facilitate informed decision-making.</p> <p>After the meeting concludes, the minutes of the Board and Board Committees meetings are prepared within a reasonable timeframe. All deliberations and decision adopted at the meetings are properly documented by the Company Secretaries. Subsequently, the draft minutes will be circulated to the Board and respective Board Committees at their following meetings for review before being confirmed by the Chairman as accurate records.</p> <p>In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, approval will be sought through circular resolutions accompanied with supported information necessary for informed decisions. All circular resolutions passed by the Board were then tabled for notation at the subsequent Board Meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of establishing definitive framework for Board operation and has consequently formalized and adopted a Board Charter. The Board Charter provides clear delineation of the Board's composition, duties and responsibilities, authority, roles, matters reserved for the Board, and processes of the Board. It serves as a structured guidance for the Board, Board Committees and Management in fulfilling their respective responsibilities and duties.</p> <p>In facilitating the discharge of duties by the Board, the Board Charter provides for delegation of responsibilities from the Board to its Board Committees, along with their reporting obligations. Each of the Board Committees have separate Term of References which outlined the roles and responsibilities in details.</p> <p>The Board Charter is subject to periodic review to ensure alignment with the Board's objectives and compliance with legislation and governance standards. Its last revision was on 19 October 2022, coinciding the amendments made to Main Market Listing Requirements ("MMLR") and Malaysian Code of Corporate Governance ("MCCG").</p> <p>Both the Board Charter and Terms of Reference are available on the Company's corporate website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group has formalised a Code of Ethics and Business Conducts (“the Code”) to uphold high standards of ethical behaviour and corporate integrity. The Code offers clear guidelines on the principles of ethical conducts and business practices throughout the Group. All Directors, employees and third parties acting on behalf of the Group are obligated to abide by the Code.</p> <p>The Code is supported by other policies adopted by the Group, such as the Whistleblowing Policy and Anti-Bribery & Anti-Corruption Policy, which illustrating the Group’s unwavering commitment to a zero-tolerance approach towards all forms of corruption and bribery in activities involving the employees and associated parties of the Group.</p> <p>The Board will conduct reviews of the Code and policies as necessary.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has instituted the Whistleblowing Policy to foster a culture where all employees and members of the public are encouraged to report genuine concerns about possible improprieties in financial reporting, compliance, and other malpractices at the earliest opportunity and through appropriate channels.</p> <p>The Board will oversee the implementation of Whistleblowing Policy and procedures by ensuring the provision of a platform for individuals to report any possible misconduct within the Group without fear of punishment or unfair treatment. Furthermore, anonymous reporting is permitted under the Whistleblowing Policy to safeguard whistleblowers from retaliation.</p> <p>The Company shall review the Whistleblowing Policy as and when is necessary.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company’s sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>Cuscapi has established a sustainability governance structure aimed at advancing its Environmental, Social and Governance (“ESG”) agenda throughout the Group. The structure delineates clear lines of accountability across the Group.</p> <p>The management is committed to explore the benefits of sustainable practices to the business and to implement such practices to achieve the right balance between the needs of the community, the requirements of shareholders and stakeholders and economic success.</p> <p>The Board aims to create a culture of sustainability within the Group and the community, with an emphasis on integrating the social, environmental and governance considerations into decision making and the delivery of outcomes.</p> <p>Details of the sustainability activities are disclosed in the Sustainability Statement in the Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board ensures that all internal and external stakeholders are kept informed of the Group's sustainability strategies, priorities targets and performance through various engagement channels such as meetings, events, the company's website, annual reports and announcements to Bursa Securities.</p> <p>The Group has identified the following six key stakeholder group impacted by its operations, as well as those with a vested interest therein:</p> <ul style="list-style-type: none">i) Customersii) Employeesiii) Government/ Regulatory Bodiesiv) Shareholders/ Investorsv) Suppliersvi) Community <p>A full disclosure of sustainability initiatives and practices is provided in the Sustainability Statement in the Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board members are expected to have a strong understanding and be able to engage in discussion with management in addressing sustainability issues. They will stay informed about the current and relevant sustainability developments through discussions and briefing by the senior management.</p> <p>In addition, some of the Board member had attended and will continue to participate in relevant trainings on sustainability matters and reporting to ensure they remain well-informed about the sustainability issues.</p> <p>Further details are set out in the Sustainability Statement of the Annual Report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>Following the implementation of the MCCG 2021, which mandates the integration of ESG consideration and sustainability targets into the performance evaluations of the Board and Board Committee, relevant evaluation forms had been revised to incorporate ESG factors in accessing the performance of the Board regarding achievement of the sustainability targets.</p> <p>The key performance indicators for material sustainability risk and opportunities have been incorporated in the annual performance evaluation senior management.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	As the Chief Executive Officer of the Company, Mr Fang Kok Hong leads the Sustainability Management Group (“SMG”) and is tasked with safeguarding the interest of all stakeholders. In this role, he ensures the Company supports long-term value creation and promote sustainability by strategically managing sustainability initiatives and integrating relevant considerations into operations.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC will conduct annual assessments and evaluations of the performance and effectiveness of the entire Board and its Board Committees, and the independence of directors based on the criteria established by the Board and Terms of Reference of respective committees.</p> <p>The NRC is additionally tasked with reviewing the composition of the Board in terms of size, requisite blend of skills and experience and diversity. The current size of the Board and Board Committees is considered adequate with majority composition of Independent Directors in the Board and all committee memberships consisting solely of Independent Directors. Besides, the Board comprises individuals with diverse skills and experience required by the Company. The NRC will also assess potential candidates for Board appointments, with particular attention to addressing the current Board's lack of age diversity and the fact that there is only one female director in the Board.</p> <p>The NRC will also conduct review on the tenure of the directors. The Company will ensure that each Independent Directors do not serve more than the nine (9) years term limit as suggested by MCCG and twelve (12) years term limit as stated under MMLR.</p> <p>In accordance with the Company's Constitution, one-third of the Directors are subject to retirement by rotation annually and all directors shall retire from office at least once every three years. The directors to retire each year shall be the one who have held office for longest period since their last appointment.</p> <p>At the 44th AGM of the Company, the retiring Directors eligible for re-election are Dato' Sheah Kok Fah and Datuk Mat Noor Bin Nawi. The NRC will also evaluate them based on the Directors' Fit and Proper Policy adopted by the Company, ensuring that a formal guide and transparent process are followed during assessment on the candidates for re-election.</p> <p>Through the assessment and evaluation, the NRC is satisfied that the retiring Directors have effectively fulfilled their duties and made valuable contribution to the Board. The NRC subsequently recommend</p>

	the retiring Directors for re-election to the Board and propose their re-election for shareholders' approval at the Annual General Meeting ("AGM").	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Independent Non-Executive Directors constitute 60% in the Board Composition, comprising three out of a total of five Board members. Following the annual assessment by the NRC, all Independent Non-Executive Directors have met the criteria of independence outline in under the MMLR.</p> <p>The high level of independence within the Board will enhance effective decision-making and ensure the decisions are made objectively for the best interest of the Company.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied
Explanation on application of the practice	:	<p>In the current year, none of the Independent Directors have served on the Board for a cumulative term exceeding nine years.</p> <p>According to the Company's adopted Board Charter, when an Independent Director's tenure reaches the ninth anniversary, his or her independency shall be reviewed by the Board. The director may continue serving on the Board with a redesignation as a Non-Independent Director. Alternatively, if the Director wishes to retain the status as an Independent Director, the Board, upon the recommendation from the NRC, shall provide justification and seek shareholder's approval through a two-tier voting process.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is composed of qualified individuals with diverse skills and experiences, cultural backgrounds, and perspectives, which enrich the Board deliberations.</p> <p>The Directors' Fit and Proper Policy adopted by the Board will serve as a guide for the NRC and the Board in their review and assessment for the Directors seeking for re-election and any potential candidates to the Board. The criteria outlined in the Policy for assessment include the following:</p> <ul style="list-style-type: none">i) Character and integrity;ii) Experience and competence; andiii) Time and commitment <p>When appointing Senior Management of the Company, the Board shall sourcing for suitable candidates through established channels, direct approaches or recruitment organizations. This should considered on the candidates' qualifications and experience required by the Company, their characters, as well as their age and gender to enhance diversity within the Board.</p> <p>Moreover, the Directors' commitment in fulfilling their duties and responsibilities is reflected by their attendance at both Board and Board Committees meetings held during the financial period under review. Despite holding multiple directorships, the Directors were able to allocate sufficient time for those meetings and satisfying the Board.</p> <p>Furthermore, none of the Directors in the Board has any direct or indirect interest in other corporations which may create a conflict of interest with the Group.</p>
Explanation for departure	:	

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

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied	
Explanation on application of the practice	:	In the financial year under review, there was no new appointment of Director to the Company. In the event of a need to appoint new Directors, the NRC should actively seek for external sources to identify suitable candidates who possessing the requisite skills to fulfil the needs of the Board, rather than relying solely on recommendations from the existing Board and major shareholders. The NRC is responsible for conducting their duties regarding the selection and appointment process for candidates to the board in accordance with the Terms of Reference of NRC.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	Through the assessment based on the criteria outlined in the Director's Fit and Proper Policy adopted by the Company, the NRC is satisfied with the time commitment and contributions of all retiring Directors eligible for re-election at the 44 th AGM of the Company. Shareholders are provided with justifications for the re-election of retiring Directors through explanatory notes accompanying the notice of 44 th AGM, soliciting for their approval. The information of the retiring Directors is detailed in their respective profiles in the Annual Report.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	Puan Mohaini Binti Mohd Yusof, an Independent Non-Executive Director in the Company, serves as the Chairperson of the NRC. Her responsibilities and duties are outlined in the Term of Reference that governing the operation of the NRC.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company currently has only one female director on the Board, constituting 20% of the total Board members.	
		While the Company has met the requirement of having at least one female director under MMLR, the Board will access potential female candidates for future appointments as necessary. This demonstrates the Board's recognition of the importance of gender diversity and its commitment to adhering to MCCG requirements.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:	Choose an item.	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has established and adopted a Gender Diversity Policy to provide guidance in fostering gender diversity in workplace and to encourage greater female participation in both the Board and senior management positions within the Company.</p> <p>The Gender Diversity Policy is accessible for reference on the Company's website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:	Choose an item.	

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>	
Application	: Applied
Explanation on application of the practice	: <p>During the financial period, the NRC conducted a comprehensive Board Effectiveness Evaluation to evaluate the effectiveness of the Board as a whole, each Board Committee and individual Directors. The individual Directors also underwent self-assessment as part evaluation process. Additionally, the independency of independent Directors was assessed.</p> <p>The evaluation was conducted through an online platform using questionnaires, facilitated by the external Company Secretaries of the Company. All Directors are required to complete the evaluation forms and submit via the online platform. Their responses were then collated by the Company Secretaries and tabled to the NRC for deliberation. Subsequently, the NRC Chairperson submitted the findings to the Board and recommend the Board on necessary improvements for the Board composition.</p> <p>Based on the evaluation results, the Board is in opinion that the overall Board composition is appropriate and balanced, featuring a diverse range of skills and competences required by the Company. The Board is also satisfied that all directors have effectively discharged their roles and responsibilities with commitment and professionalism. Furthermore, the Board is content with independence exhibited by the Independent Directors, as evidenced by their objective participation in the Board deliberations.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

Measure	:		
Timeframe	:		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company’s desire to attract and retain the right talent in the board and senior management to drive the company’s long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company’s website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has delegated to the NRC the responsibility of establishing the policy framework and providing recommendation to the Board regarding remuneration packages and benefits extended to Directors and Senior Management. The NRC will conduct annually reviews on the remuneration of the Board and Senior Management to ensure the alignment with corporate performance and market practices. Based on the reviews, the Chairperson of NRC will recommend appropriate remuneration and compensation packages for Board consideration.</p> <p>The Board as a whole will determine the level of remuneration of the Non-Executive Directors (“NED”) of the Company. NED of the Company receive fixed monthly or annual fees, as well as meeting allowances for attendance of meetings. Alternatively, the remuneration packages of Executive Directors in the Company are tied to the corporate and individual performance. The Directors’ fees and benefits of NED are subject to final shareholders’ approval in the general meeting. The individuals concerned are required to abstain from discussion of their own remuneration.</p> <p>Besides that, the remuneration for senior management is linked to the corporate and individual performance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC is made up of entirely Independent Non-Executive Directors which is in accordance with MCCG recommendations. The Company adopts the Terms of Reference and uploaded it on the Company's corporate website. The NRC's functions and responsibilities regarding the nomination and remuneration matters are clearly outlines in the Terms of Reference.</p> <p>The NRC is empowered to evaluate the performance of the Board, as well as assess their remuneration and other benefits. They are entrusted with responsibility to make recommendations on the remuneration packages for the Board consideration.</p> <p>The Terms of Reference will be reviewed from time to time to ensure align with any changes in MMLR or MCCG recommendations.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	The breakdown of each Director's remuneration (both Company and Group) for the financial period under review was disclosed by category of Directors' fee and allowance as follows:

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Datuk Jayakumar A/L Panneer Selvam	Executive Chairman	90,000	7,000	-	-	-	-	97,000	90,000	7,000	-	-	-	-	97,000
2	Dato' Sri Khazali Bin Haji Ahmad	Executive Director	180,000	7,000	-	-	-	-	187,000	180,000	7,000	-	-	-	-	187,000
3	Datuk Mat Noor Bin Nawi	Independent Non- Executive Director	90,000	7,000	-	-	-	-	97,000	90,000	7,000	-	-	-	-	97,000
4	Dato' Sheah Kok Fah	Independent Non- Executive Director	90,000	8,000	-	-	-	-	98,000	90,000	8,000	-	-	-	-	98,000
5	Puan Mohaini Binti Mohd Yusof	Independent Non- Executive Director	180,000	8,000	-	-	-	-	188,000	180,000	8,000	-	-	-	-	188,000

Intended Outcome

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

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Board believes that providing detailed disclosure of the remuneration component of the Senior Management may not in the best interest of the Company, considering confidentiality and sensitivity issues. Such disclosure could lead to recruitment and talent retention challenges.</p> <p>The Board will ensure that the remuneration packages of the Senior Management are aligned with their performance, aiming to attract, retain and motivate them to make positive contribution to the Company.</p> <p>The Company has disclosed the remuneration of senior management on aggregate basis in the Annual Report without specifying the names of the individuals.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1								
2								
3								
4								
5								

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					Total
			Salary	Allowance	Bonus	Benefits	Other emoluments	
1								
2								
3								
4								
5								

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of ARMC is an Independent Director who does not serve as the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	<p>In accordance with the MCGG recommendations, the Terms of Reference of ARMC include a policy stipulating a cooling-off period of at least three years before any former partner of the external audit firm of the Company can be appointed as the member of the ARMC. This measure is implemented to preserve the independence of the audit of the Company's financial statements.</p> <p>None of the members of the ARMC are former audit partners of the Company.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC conducts annual review on the appointment or re-appointment of external auditors through assessment on their suitability, objectivity and independence. This also encompass consideration of the statutory audit, recurring audit-related, and non-audit services provided by the external auditors alongside the appropriateness of the level of fees. During the financial year, Cuscapi have changed the Group's external auditors from Messrs. Mazars PLT to Messrs. UHY.</p> <p>Additionally, the external auditors provided confirmation to the ARMC, assuring their independence throughout the audit engagement as required by the By-Laws issued by the Malaysian Institute of Accountants. They also involved declare their independence and qualifications in the audit plan presented to the ARMC for the financial period under review.</p> <p>Following the assessment, The ARMC are satisfied with the competency, suitability and independence of Messrs UHY, the new external auditors of the Company, and recommends their re-appointment to the Board. Shareholders' approval on the re-appointment of external auditors will be sought at the 44th AGM of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Company's ARMC comprises of three members, all of whom are 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC members possess wide range of necessary knowledge and experience to fulfil their duties. The Chairman of the ARMC is highly qualified to review the accuracy of the Gorup's financial reporting, with his extensive experience in finance as well as other field of expertise.</p> <p>The ARMC will also seeks explanation and additional information from the Chief Financial Officer and Senior Management regarding the financial performance and preparation of the financial statements. This ensures that they remain informed about the latest financial reporting matters during the discussions.</p> <p>The Board is satisfied with the ARMC's performance, believing that they have effectively discharged their duties and responsibilities.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is dedicated to upholding an effective risk management and internal control measures to protect the Group's interest. The CEO, who responsible for management on daily operation is empowered to establish the Group's internal control frameworks.</p> <p>Moreover, the ARMC assists the Board in overseeing the risk management framework and policies adopted by the Group and regularly evaluating their adequacy and effectiveness.</p> <p>The risk management process involved engagement from different management level to identify and monitor the risk exposure to the Group, while appropriate internal control system will be implemented to mitigate these risks.</p> <p>A summary of the Group's risk management and internal control framework are provided in its statement on Risk Management and Internal Control in the Company's Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied	
Explanation on application of the practice	:	<p>The features of the Group's risk management and internal control framework are disclosed in the Statement of Risk Management of the Annual Report 2023.</p> <p>The ARMC will supervise the related framework and policies and continuously assessing on their adequacy and effectiveness. In addition, the Internal Auditors will assess on the effectiveness of the risk management and internal control framework of the Group and suggest for improvements when necessary.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted
Explanation on adoption of the practice	:	The Company has formed the ARMC by combining its Audit Committee and the Risk Management Committee, consisting solely of independent directors. Their roles involved assisting the Board to periodically evaluating the effectiveness, adequacy and integrity of the Group's risk management and internal controls systems.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has outsourced its internal audit function to Crowe Governance Sdn. Bhd., an independent professional service firm, who directly report to the ARMC on their internal audit findings and recommendations at the scheduled meetings.</p> <p>The outsourced of internal audit function is geared towards securing professional resources and ensuring impartial assessments on the internal control and risk management of the Company. The internal auditors will also conduct follow-up reviews to assess the implementation status of management action plans based on their recommendations.</p> <p>Besides, the ARMC will evaluate the performance, competence, and independency of the internal auditors in annual basis to ensure their ability to perform effectively.</p> <p>Further details of the internal audit function are elaborated in the Statement on Risk Management and Internal Control in the Company's Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group’s internal audit function is entrusted to a professional firm named Crowe Governance Sdn Bhd (“Crowe Governance”). The internal auditors have conducted their activities in accordance with the Internal Audit Plan that was approved by the ARMC and the Board.</p> <p>The internal audit team is headed by Executive Director, Amos Law, who is a member of the Certified Internal Auditor (CIA), an IIA Accredited Internal Quality Assessor/Validator, a Chartered Member of the Malaysian Institute of Internal Auditors (CMIIA) and a holder of the Certification in Risk Management Assurance (CRMA). He is supported by three (3) competence staffs who aid in conducting internal audit assignments.</p> <p>None of the personnel in Crowe Governance have any familial ties with the Directors or Company. This will mitigate any conflict of interest and compromises to objectivity and independence during the internal audit review.</p> <p>Further details are disclosed in the ARMC Report of the Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's website at www.cuscapi.com provides an avenue for accessing to the latest corporate information of the Group. The corporate profiles, events and news are also uploaded in the website for ease of access. Besides, the Annual Reports are made available on the company's website to communicate comprehensive information on how the Company delivers value for the stakeholders. The stakeholders may also forward their queries and suggest improvements to the Company through the website.</p> <p>To ensure equal and fair access to information by the public, the Company fulfils its disclosure obligations in accordance with Bursa Securities' Corporate Guidelines. The Board recognize that the material information must be promptly announced through Bursa Securities. These announcements are also featured in the Investor Relations section of the Company's website, contributing to the enhancement of Investor Relations functions. The information are accessible from the website of Bursa Securities as well.</p> <p>Furthermore, the Board encourages participation from shareholders by having the question and answer sessions during the annual and any extraordinary general meetings as it is ideal opportunities to communicate with shareholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

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

Intended Outcome

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

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	The Notice of the AGM will be circulated at least 28 days before the scheduled AGM date, providing shareholders with ample time to read the Annual Report and consider on the resolutions to be resolved. This timeframe also enables the shareholders to make prior arrangements for their participation in the AGM.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied
Explanation on application of the practice	:	<p>The AGM serves as the primary platform for engaging with shareholders. The Board strongly encourages the shareholders to attend the AGM as they can raise their concerns and queries via question-and-answer session in the meeting.</p> <p>Attendance of all directors, particularly the Chairman or Chairperson, are mandatory in the AGM. They are expected to actively contribute to the shareholders on their questions. Additionally, the External Auditors and the Key Senior Management of the Company are invited to provide their professional clarification and respond to the queries that raised by the shareholders.</p> <p>All the Directors have attended the 43rd AGM which was held fully virtually via online meeting platform in Malaysia on 15 December 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders’ participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>The 43rd AGM of the Company is on a fully virtual basis and entirely via remote participation and voting via vote2u online operated by Agmo Digital Solutions Sdn. Bhd. to facilitate remote participation and voting in absentia.</p> <p>The Company will provide the administrative guide to the shareholders and proxies outlining the procedures and requirements for the remote participation and voting facilities. Through the facilities, the registered shareholders and proxies were permitted to electronically submit their questions via vote2u online website during the AGM. Those questions will subsequently made visible to all meeting participants via remote online platforms to ensure the transparency and effectiveness in the exchange of information.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<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>	
Application	: Applied
Explanation on application of the practice	: To facilitate meaningful engagement between the Board, Senior Management and the Shareholders during the AGM, the Board shall offer sufficient time and opportunity for shareholders to pose questions using the RPV facilities. All Directors and Senior Management are strongly encouraged to attend the AGM and are expected to actively respond to the questions raised by the shareholders, fostering open dialogue and transparency.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<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>	
Application	: Applied
Explanation on application of the practice	: <p>The 43rd AGM of the Company that held on 15 December 2022 was conducted as a fully virtual meeting via live streaming and online remote voting using RPV facilities operated by Agmo Digital Solutions Sdn Bhd.</p> <p>The Company had issued the administrative guide to the shareholders and proxies outlining the procedures and requirements for the remote participation and voting facilities prior to the AGM. After their registration, they can submit their questions via vote2u online website, and those questions will be displayed in the online platform to be made visible to all meeting participants. Based on the facilities that made all posed questions visible, the Directors and Senior Management had responded according to the sequence for the questions posed by the shareholders during the meeting.</p> <p>During the live streaming, the shareholders engaged by selecting “Voting” button to express their votes for the resolutions that are tabled for voting. The Voting session was initiated when the Chairman of the Meeting informed that the voting platform is activated and subsequent announced the outcome of the voting upon the completion of votes counting.</p> <p>To uphold integrity of voting process, the poll results were verified by Messrs KW Ng & Co., independent Scrutineers appointed by the Company. The poll results of all the resolutions were presented on the screen during the virtual 43rd AGM.</p>
Explanation for departure	:

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the 43 rd AGM were circulated to the shareholders through the corporate website within 30 business days after the AGM held.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**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.

Click or tap here to enter text.