

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5272
COMPANY NAME : RANHILL UTILITIES BERHAD
FINANCIAL YEAR : December 31, 2022

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>1) The Board of Ranhill Utilities Berhad ("Ranhill" / "the Company") continues to execute its fiduciary duties to use reasonable care, skill and diligence in line with Section 211 (1) and (2) and Section 213 (1), (2) and (3) of the Companies Act 2016.</p> <p>The Board is responsible for ensuring that the Group remains on track toward realizing its set business objectives and goals. In fulfilling this duty, the Board has developed an annual business plan, which charts the course forward for the Group. As the highest decision-making body, the Board sets the tone at the top by prioritizing business sustainability and corporate governance.</p> <p>The Board is guided by its Board Charter, which stipulates the roles and responsibilities, the power and authority vested in the Board and other required guidance in enabling the Board to discharge its duties. This includes matters reserved for the Board's approval, and those, which the Board may delegate to the Board Committees, Chief Executive ("CE") and key senior management. The delegation of duties and their limit of authority are set out in Ranhill Authority Manual ("RAM") and Terms of Reference ("ToR") of the Board Committees respectively. The Board Charter is available on the website at www.ranhill.com.my.</p> <p>2) The Board has established various Board Committees to facilitate the execution of its duties. Each Committee has its own respective ToR to facilitate the execution of its roles and responsibilities. The ToRs are also available on the Company's website at www.ranhill.com.my.</p> <p>Via the Audit Committee ("AC") the Board ensures:-</p>

	<ul style="list-style-type: none"> • Ranhill's audit and accounting practices are in line with recognized accounting practices such as the Malaysian Financial Reporting Standards ("MFRS") and the International Financial Reporting Standards ("IFRS"); • including also monitoring the Group's operational and financial performance, reviewing the Group's business processes, accounting functions, financial reporting and internal controls; • enhancing the independence of the external and internal function; ensuring effective ethics programme is implemented and monitoring the compliance of the Group's established policies and procedures; • reviewing the investigation reports on fraud or irregularities from the person(s) carrying out the internal audit function (this role was previously under Fraud & Whistleblowing Committee but this committee was disbanded); • overseeing the implementation of the Group's Sustainability strategies and priorities and targets as well as evaluating the Sustainability risks and opportunities (previously under GRMC). <p>Via Governance and Risk Management Committee ("GRMC"):-</p> <ul style="list-style-type: none"> • The Board looks to effectively address the Group's risk exposure. This encompasses reviewing and assessing risk exposure including the viability of the investment and divestment proposals, acquisitions, mergers, and funding options. • Overseeing the implementation of the anti-corruption framework, policies, and procedures for corruption risks assessments, reviewing and assessing the performance, management, and adequacy of tools, system, and processes for corruption risk management. <p>Via Nominating and Remuneration Committee ("NRC") and Long Term Incentive Plan ("LTIP") Committee, the Board ensures:-</p> <ul style="list-style-type: none"> • There is effective succession planning for the Board and that the Company's remuneration plan is comparative to the industry benchmark; • LTIP assists the NRC/Board in overseeing the implementation of LTIP scheme. The granting of the LTIP shares to eligible directors and employees took effect on 11 September 2020 based on the stipulated terms and conditions of LTIP which had <p>3) The Group's long-term profitability and sustainability are monitored, whereby the Board has on a yearly basis reviewed, deliberated and considered the Group Business Plan for the next financial year and the projections for the subsequent 2 years thereafter. Key strategic issues were</p>
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	<p>outlined and the broad goals and objectives are set for the implementation and execution. This includes ensuring continued smooth operations of the water, energy and engineering as well as in-depth reviews on the Group's cost-effectiveness in ensuring the businesses would be properly executed within the budget and financing cost. This includes identifying mitigation plan to minimize loss and risk exposures and close monitoring of the Group's performance through appropriate measures.</p> <p>4) Towards the corporate governance value within the Group, the Board ensures the corporate governance framework had been appropriately set in place for implementation and adoption by the Group; and ensures the corporate governance framework is updated to be in line with the latest changes. Key areas of corporate governance strengthened include anti-corruption, business ethics, corporate integrity and risk, and a high level of compliance with regulatory's key performance indicators.</p> <p>5) The integrity of the Company towards effective communication and engagement with its shareholders and stakeholders lies on the Board and senior management. The Board endorsed the Company's Investor Relation Policy on 7 November 2019 for the adoption and guidance towards management and employees to effectively disseminate material information to shareholders, prospective investors and stakeholders. The policy would be accessible on Ranhill Intranet, the online platform for the internal publication and dissemination of information to employees of the Group.</p> <p>6) The Board acknowledged that employees' contribution is also part and partial of salient factors to the success of the Company and for the Board to achieve and meet the Company's goal. The Group Human Strategic Plan 2021-2026 which was endorsed in 2021 provides guidelines for the Group's human capital development and succession planning. The plan is monitored to ensure the implementation will be as per the programmes and timeline set. Ensuring also there will be a well-structured and clear division of tasks and job scopes. High potential key leaders are placed at critical positions to facilitate the execution of the Group task appropriately, effectively and strategically.</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

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is chaired by Tan Sri Hamdan Mohamad, Chairman and CE ("Chairman & CE") of the Company. Tan Sri Hamdan is also a major shareholder of the Company through his direct and indirect shareholdings in the Company. His profile is set out on Page 90 of the Annual Report 2022.</p> <p>Tan Sri Hamdan has effectively fulfilled the responsibilities of the Group Chairman as provided for in the Group's Board Charter. In essence, as Chairman, Tan Sri Hamdan had during the financial year demonstrated the following:-</p> <ul style="list-style-type: none">a) Demonstrated strategic oversight and leadership in his role as Chairman towards enabling the Board to effectively discharge its roles and responsibilities;b) In consultation with management and the company secretary, set out the Board agenda for Board and Board committees meetings;c) With the assistance of the Company Secretary, ensured Board members received complete and accurate information in a timely manner to prepare accordingly for board meetings;d) Helming board meetings and facilitate healthy discussions to ensure the effective contribution of all directors;e) Encouraged active participation and allowing dissenting views to be freely expressed in all Board meetings;f) Managing the interface between Board and management;g) Ensured appropriate steps were taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;h) Ensured appropriate steps were taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;i) Chaired the Annual General Meeting and ensured questions raised were answered;j) Led the Board in establishing and implementing the practice of good corporate governance in the Company;k) Facilitated effective contribution of Non-Executive Directors and ensured constructive discussions at Board meetings; andl) Ensured that all directors are properly briefed on issues arising at Board meetings and there is sufficient time

	provided for discussion on complex or contentious issues and where appropriate, arranging for informal meetings beforehand to enable thorough preparations.	
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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Tan Sri Hamdan Mohamad, the Chairman & CE of the Company.</p> <p>Given the justification provided below, the Board is of the view that the combined position of Chairman & CE is strategic to the Company as well as the Group.</p> <ol style="list-style-type: none">1. The Chairman & CE has considerable experience and proven expertise, including a longstanding track record in managing the Company. He is also well-versed in the water, energy and infrastructure sectors and has in-depth knowledge of the Group's operations. The Chairman & CE is also well abreast with the latest trends and developments arising from the PESTLE environment that may impact the business model and related operations.2. Given the points mentioned in No.1, the Chairman & CE is capable of leading and guiding discussions, as well as briefing the Board promptly on issues and developments. This enhance the Board's collective ability to make more informed decisions in the best interest of the Group. <p>Being the CE, he is accountable to the Board and shall continue to report to the Board on all Group matters including strategic decision-making on business and operational matters. In performing his duties as CE, he is ably supported by an effective Senior Leadership team comprising the Chief Financial Officer ("CFO"), Chief Operating Officer ("COO"), Chief Corporate Services Officer ("CCSO"), Chief Commercial Officer ("CCO") and Chief Merger and Acquisition Officer ("CMAO").</p> <ol style="list-style-type: none">3. The unified leadership has enabled clear lines of command communicated throughout the Group, enabling a clearer focus and shared purpose across the Management, extending to the management of subsidiary companies. It also has expedited critical business decisions as well as expedited the business processes, activities, and adaption to the changes to meet the current standards and projections in a more timely manner.

	<p>4. The Board ensures there will be continued independence, especially independent directors who have been tasked with playing an increased role in ensuring sufficient checks and balances and that a strong degree of independent thinking and judgment is practiced for deliberation and decision-making.</p> <p>The present Board members of five Independent Non-Executive Directors (“INED”), and four Non-Independent Executive Directors (“NIED”) are highly experienced corporate leaders, with extensive skills, professional qualifications and capabilities.</p> <p>The directors, especially Independent Directors will continue to diligently play their role in ensuring effective oversight of management as well as to support objective and strong independent deliberation, review, and decision-making. They remain independent and impartial in discharging their duties and to safeguard shareholders’ interests including minority shareholders.</p> <p>5. The Nominating and Remuneration Committee (“NRC”) and the Board have assessed and considered the independent directors, and are satisfied that they are capable to demonstrate objective and independent views, advice and judgement to contribute to the Board decision-making by bringing in the quality of detached impartiality.</p> <p>The Board is of the view that it is in the best interest of the Company and the Group to maintain the current arrangement.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>: Please explain the measure(s) the company has taken or intend to take to adopt the practice.</p>
<p>Timeframe</p>	<p>: Choose an item.</p>

Intended Outcome

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

Practice 1.4

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 & CE is not a member of the AC or NRC of Ranhill. The Chairman & CE is only an invitee to meetings of both committees. Such invitations are made only as required and are based on the following considerations:</p> <ol style="list-style-type: none">1) The Chairman & CE is responsible for providing leadership to the management of the Group. Hence, his presence at both committee meetings is beneficial in providing necessary updates and presenting business-related information that will support more informed decision-making by both committees, especially pertaining to vital matters or issues.2) The sufficient and competent independent directors on both committees ensure sufficient checks and balances and objective and independent deliberation and decision-making.3) The Board and Board committees have ensured the Chairman & CE will not participate in any discussion and decision-making of any transactions related to the Chairman & CE that might lead to a conflict of interests situations. <p>The Board is of the view that it is in the best interest of the Company and the Group to maintain the current arrangement.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
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 Group employs the service of a qualified Chartered Company Secretary - Lau Bey Ling (MAICSA No: 7001523/PC No. 201908004064) who has over 20 years of experience providing secretarial services, including public listed companies.</p> <p>In addition, the Group employs an External Secretary - Leong Shiak Wan (MAICSA No: 7012855/PC No. 202008002757) to provide additional corporate secretarial support.</p> <p>Directors have unrestricted access to the advice and services of both Group Secretaries.</p> <p>Together, the expertise and experience of both individuals allow for effective facilitation of Board and Board Committee meetings as well as the performance of other necessary duties to support the Board pertaining to the Group's constitution and ensuring Board policies and procedures are by set rules and regulations.</p> <p>The Company Secretaries' functions include (but are not limited to):</p> <ul style="list-style-type: none">• Advising the Directors of their duties and responsibilities;• Advising the Directors of obligations to disclose their interest in securities, disclosure of any conflict of interest and related party transaction;• Advising the Directors of the prohibition on dealing in securities during the closed period and restriction on disclosure of price-sensitive information;• Prepare agendas of meetings for Board and Board Committees;• Attend all Board and Board Committees meetings and ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly;• Ensuring the appointment of new Directors, re-appointment and resignation of Directors are in accordance with the relevant legislation;• Ensuring execution of assessment for Directors, Board and Board Committees;• Advise the Board on corporate disclosures and compliance

	<p>with company and securities regulations and listing requirements;</p> <ul style="list-style-type: none"> • Monitor corporate governance developments and assist the Board in applying corporate governance practices to meet the Board's needs and stakeholders' expectations; and • Serve as a focal point for stakeholders' communication and engagement on corporate governance issues. <p>The Company Secretary has been present at all Board and Board Committees' meetings. The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging their functions.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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>Ranhill maintains a corporate calendar comprising meeting dates for the Board, Board Committees, the annual general meeting ("AGM") and other major appointments.</p> <p>The Board Committees meetings are to be held and conducted separately from the Board meeting to enable objective and independent discussion during the meeting. Key deliberations of the Board Committees are to be tabled to the Board at the Board meeting and presented by the Chairman of the respective Board Committees, for the Board's deliberation and notation.</p> <p>The calendar also provides the closed periods for dealings in securities by Directors based on the targeted dates of announcements of the Group's quarterly results. Notice of the closed period is circulated via email to all Board members and senior management at least one week before the commencement of the closed period, which is 30 days before the appointed board meeting date.</p> <p>The Board uses Diligent Board, an electronic meeting management system or Board portal, as an effective means to disseminate meeting materials to the Board of Directors. Diligent Board offers administrative advantages to Directors and Company Secretary regarding Board meeting documentation. Amongst of the advantages are; meeting materials can be accessed by Directors anytime and anywhere, accessible with multiple platforms such as PC, tablet, phone and website; keeps confidential Board meeting documentation and sensitive corporate data safe and secure; keeps past Board meeting documentation which can be easily retrieved; and uses paperless systems that are more environmentally friendly.</p> <p>Notice of Board meetings, Board papers, and other meeting materials are circulated to the Board at least five (5) business days in advance. This allows Board members time to review the information and prepare accordingly for meetings. There were occasions where the Group was unable to meet the five-day timeline in circulating the agenda papers of the meeting in FY2022 caused by the unexpected delays in receiving the key information of the projects/contracts proposals and ongoing</p>

	<p>development. Where a particular subject matter requires further clarification before deliberation, the Board would adjourn the meeting to allow management to provide the clarifications sought and any additional materials to the Board. Management would also provide further materials requested by the Board with the materials sent to the Board via email, by hand and uploaded to the Diligent Board for easy access.</p> <p>The Company Secretary attend all Board and Board Committees meetings and ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly. Meetings of the Board and the Board Committees are carefully minuted and circulated to all Board members. The meetings were adopted in both physical and online formats i.e. a hybrid method to facilitate the directors/management who were not able to physically attend the meetings, to join the meeting virtually via the online platform.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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 established a Board Charter on 26 May 2016 which outlines the respective duties and authority of the Chairman, the individual Directors, CE and the respective Board Committees. The Charter also clearly stipulates matters that are reserved for the Board's deliberation and decision.</p> <p>The updated Board Charter and the ToR of the Board Committees are available on Ranhill's website at www.ranhill.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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 adopts and practices the Code of Conduct & Business Ethics ("CCBE"). The Group's CCBE serves to guide expected good corporate conduct and practices for all employees and Directors of Ranhill to behave ethically and professionally at all times and beyond working hours as well. The Group also expects shareholders, consultants, vendors, agents, contractors, and/or any other parties having a business relationship with the Group to comply with the relevant parts of the CCBE.</p> <p>The CCBE summary is published at: www.ranhill.com.my.</p> <p>The CCBE governs all related areas for good governance and best practices such as matters of corruption, bribery transparency, no gift policy, abuse of power, accountability, conflicts of interest, breach of privacy/confidentiality, insider trading, fair dealing and anti-competition, improper use of company assets, a harmonious working environment, adapting Ranhill's 11 Rules of Life, compliance with laws, rules and regulations and so on. Supporting the CCBE is the Whistleblowing Policy which is detailed under Practice 3.2.</p> <p>Communication on the CCBE is cascaded regularly across company communication channels as a reminder to all employees. For new employees, CCBE briefing sessions will be conducted for them during the onboarding program.</p> <p>In regards to the Corporate Liability Provisions under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC"), the following were undertaken in the FY2022 by Group Legal & Compliance ("GLC") and Group Corporate Assurance ("GCAD") divisions respectively.</p> <p>GLC has continued to monitor Corporate Liability Programmes that have been commenced since June 2020 which are as follows:</p>

	<p>a. Following the Corruption Gaps Analysis Exercise, which identifies gaps in the existing Policies & Procedures (“P&P”), GLC has revised the existing P&P which include Third Party Dealings P&P and assisted in the revision of the Board Charter, ToR for GRMC and the CCBE to ensure compliance to Section 17A MACC Act 2009.</p> <p>b. Following the Bribery Risk Analysis GLC has commenced monitoring of the identified risks in the Risk Management Working Committee (“RMWC”) quarterly meetings to evaluate and improve existing systems and controls to mitigate the Company’s exposure to identified bribery risks.</p> <p>GCAD has executed the following:-</p> <p>a. Addressed gaps identified by Tay & Partners on the Risk Assessment as well as issues highlighted in Management Assurance, Risk Compliance Committee (“MARCC”). The progress report was shared with the GRMC;</p> <p>b. Held continuous briefing exercises on Section 17A of the MACC Act 2009 and our P&P relating to anti-corruption to non-executive employees of Ranhill Group, including subsidiaries only;</p> <p>c. Strengthened Ranhill’s CCBE consistent with Section 17A; and</p> <p>d. Engaged an external assurance service provider to assess our achievement on Adequate Procedures Guidelines</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>Ranhill has a formal Whistleblowing P&P in place since April 2016. The Whistleblowing Policy was updated in July 2019 to strengthen its processes and controls and to provide greater confidence to whistleblowers to use the mechanism, if required.</p> <p>Ranhill's Whistleblowing Policy comes under the oversight of the AC. The AC's role is to assist the Board in managing any fraud or financial irregularity matters within the Group.</p> <p>Under the Whistleblowing P&P, any party who makes a report of improper conduct in good faith will not face any form of punitive measures such as retaliation, dismissal, victimisation, demotion, suspension, intimidation and discrimination.</p> <p>Employees or even external parties may whistleblow with their identities remaining confidential to whistle@we-care.my. Ranhill continues to promote awareness among employees on the existence and role of the Whistleblowing Policy.</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>The Board maintains oversight of the sustainability of the Company via the Group's well-defined and comprehensive Sustainability structure. The structure can be viewed in both FY2022 Sustainability Report ("SR2022") and the Sustainability Statement of the Annual Report 2022 ("AR2022") of the Company (Refer to pages 59 to 87) which are available on Ranhill's website www.ranhill.com.my.</p> <p>Sustainability matters come under the purview of the Board level by AC. At the working level, the Sustainability Working Group ("SWG") is tasked with executing sustainability strategies and action plans and providing timely reports and updates to the AC.</p> <p>The Board is also guided by the Group's Sustainability Blueprint comprising of the following four pillars: Environmental Awareness & Preservation, Contribution Towards Social Wellbeing, Inspirational Workplace & Culture and Enhancing Governance Across the Group.</p> <p>All material matters are presented to the AC in the form of a materiality matrix depicting the impact/importance of topics to stakeholders as well as value creation. The AC deliberates on the findings and recommends improvement and provides approval. The SR2022 is also reviewed by the AC and approved accordingly.</p> <p>The Group's strategies on Environmental, Social and Governance ("ESG"), its decision making processes and other related information are provided in the SR2022.</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>Ranhill publishes on an annual basis, a standalone Sustainability Report that is aligned to best practice ESG reporting frameworks. Beyond the Global Reporting Initiative ("GRI") and Bursa Malaysia FTSE 4 Good frameworks, the 2022 report has been further enhanced with disclosures that are aligned to Task Force on Climate-Related Financial Disclosures ("TCFD"), Sustainability Accounting Standards Board ("SASB") and additional GRI and FTSE disclosures.</p> <p>In essence, the Sustainability Report provides a detailed account of the Group's ESG highlights including progress made, against key performance indicators and the contributions made to selected United Nations Sustainability Development Goals ("UN SDGs").</p> <p>The report is made available on Ranhill's website at www.ranhill.com.my. It is also provided to investors, analysts and other interested parties.</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 continuously keeps themselves abreast with and understanding of the sustainability issues via training/seminars/conferences attended, news, publications and reading materials as part and parcel of the Directors' Continuous Development Activities for FY2022.</p> <p>Board members also ensure they are kept abreast of the current ESG issues and Ranhill's position and performance in relation to these issues. The updates to Board on ESG matters are facilitated through Sustainability Reporting updates tabled regularly at Board meetings.</p> <p>Other ESG-related data such as data on occupational safety and health, Non-Revenue Water ("NRW"), talent management and development, anti-corruption and bribery are frequently brought to the attention of the Board, during meetings or via circulation of Board members.</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>The performance evaluation of the Board for FY2022 collectively and individually has taken into account how they have played their roles and responsibilities both collectively and individually in managing and addressing the material sustainability risks and opportunities in the Group.</p> <p>The group has set a performance evaluation standard for all of senior management in addressing the Company's material sustainability risks and opportunities. The assessment is done annually at the end of the year to evaluate the result of each senior management personnel's performance towards the business acumen, sustainable growth and also on efficiency and productivity which is highlighted in the Core Competencies assessment for the senior management.</p> <p>In addition, senior management also should be able to identify key market drivers and emerging trends in technology, competition, pricing, customer needs and regulatory requirements, enthusiastically pursue profitable business ventures with the greatest potential for a competitive advantage and market penetration of targeted business opportunities in line with organizational priorities and resource realities while taking risks to introduce fresh new ideas and approaches to capture greater market share in our current business operation. All these are highlighted under Behavioural Competencies.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Sustainability & ESG unit and SWG committee comprise key management personnel led by the Executive Director (“ED”) and COO of the Company. The COO and the aforementioned entities are tasked with providing updates on sustainability matters to the Chairman & CE and also the AC.</p> <p>The Board has assigned the AC to take up the role of reviewing the implementation of the Group's sustainability strategies, priorities and targets, and evaluating the sustainability risks and opportunities. This includes notifying the Board of any pressing matters with regard to ESG. Sustainability updates are to be tabled and reported quarterly to the AC and subsequently to the Board.</p>

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>Board refreshment is critical to enhancing the Director's performance collectively and individually. The Board ensures that the composition of the Board, skills, experience, and expertise of the Directors relates to the organization's strategies. Through the annual Board Assessment, NRC assesses and evaluates the strength and weaknesses of the Directors including EDs collectively and individually. NRC will present the main findings and propose the appropriate actions plan to the Board.</p> <p>The annual Board assessment will include a review of tenures for each INED. The performance evaluation results of EDs will support the proposal on their contract terms for renewal. Tenures of INED shall follow the Board Charter and Bursa Main Market Listing Requirements ("BMLR") and the latest applicable corporate governance practice. Under the Board Charter, the tenures of AC members shall be reviewed every 3-year period. However, a Director could continue to serve as an AC member if the Board, upon an assessment, is satisfied with the Director's performance and the Director continues to meet the criteria for membership of the AC.</p> <p>NRC shall ensure a recommendation proposal for the annual re-election of the retiring Director at the forthcoming AGM should be contingent on the satisfactory evaluation of that Director's performance and contribution to the Board resulting from the annual Board assessment results.</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	:		
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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>In FY2022, the Board comprised more than half of the Independent Directors who are-</p> <ol style="list-style-type: none">1. Tan Sri Hamdan Mohamad (Chairman & CE/NIED)2. Datuk Seri Lim Haw Kuang (ED/NIED)3. Datuk Abdullah Karim (Senior INED)4. Lim Hun Soon @ David Lim (INED)5. Leow Peen Fong (INED)6. Abu Talib Abdul Rahman (INED)7. Dr. Arzu Topal (INED)8. Amran Awaluddin (ED and COO/NIED)9. Zurina Abdul Rahim (ED and CCO/NIED) <p>The Board viewed that the above Board comprises high calibre and proven captains of industry who bring a wealth of experience and an exceptional track record of excellent achievement within their respective individual capabilities.</p> <p>Furthermore, the Board practices an open and transparent discussion environment during meetings to ensure independent judgment is allowed to flourish in ensuring the best interest of the Group and shareholders is safeguarded.</p> <p>Going further, the independence of our INEDs are assessed during the annual Board Assessment Evaluation (“BAE”) via self and peer assessments and forms of declaration that the individual INED is free from any business or other relationship which could materially interfere with the exercise of their objective and independent judgments, decisions and reviews.</p> <p>The Board is satisfied that the INEDs have demonstrated the required level of independence in acting impartially and in the best interests of Ranhill.</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>The Group has applied this practice which is provided for in the Board Charter. The Charter stipulates that the tenure of INED is as follows:-</p> <ul style="list-style-type: none">• The tenure of an INED shall not exceed a cumulative term of 9 years. Upon completion of the 9 years, an INED may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director;• Any exception shall be subject to assessment by the NRC where the INED upon completion of 9 years can still remain as INED up to a maximum of 12 years, subject to justification from the Board and annual approval by the shareholders at a general meeting through a two-tier voting process;• This shall also be subject to assessment by the NRC and strong justification from the Board prior to the annual shareholders' approval; and• To justify retaining an INED beyond the cumulative term limit of 9 years, the Board should undertake a rigorous review to determine whether the 'independence' of the Director has been impaired. Findings from the review should be disclosed to the shareholders for them to make an informed decision. <p>The Board is of the view that the progressive refreshing of the Board is in the best interest of Ranhill in line with best corporate governance practice. Hence, to date, none of Ranhill's Independent Directors have reached the maximum 9-year tenure of service as stipulated under the Practice.</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>In the selection of Directors, the Board looks to foster a diversity of views and perspectives that will facilitate a more objective and truly in-depth decision-making process. This is essential given the size and complexity of Ranhill's business operations and the dynamically evolving external environment.</p> <p>This is achieved by the NRC instituting an impartial assessment and selection process. The NRC identifies and assesses candidates based on qualifications, related experience, track record and professional achievements and whether their unique skill sets and competence is a good fit in line with Ranhill's requirements for good stewardship and corporate governance. This also includes the following:</p> <ul style="list-style-type: none">• Candidate's independence in the case of the appointment of an INED;• The composition requirements for the Board and Committees (if the candidate is proposed to be appointed to any of the Committees);• Any competing time commitments if the candidate has multiple Board representations. <p>Ranhill undertakes appropriate background and screening checks before nominating a Director for election by shareholders, and provides to shareholders all material information in its possession concerning the Director standing for election or re-election in the explanatory notes accompanying the notice of meeting.</p> <p>All newly appointed Directors will be given an induction program to acquaint them with the Group and its business operations and strategies, as well as ongoing activities and any potential issues or developments. This includes visits to the Group's significant places of operations, meetings with senior management and relevant staff.</p> <p>Based on the review of the Board composition, the details of the Board's size, age, gender, nationality will be as follows:-</p>

		Age Group				Gender	
	Number of Directors	40-50	51-60	61-70	Male	Female	
		1	2	6	6	3	
		Race/Ethnicity				Nationality	
	Number of Directors	Malay	Chinese	Indian	Others	Malaysian	Foreigner
		5	3	0	1	8	1
	The Board is of the view that this is the optimal size for its present requirements to ensure enable effective oversight, a delegation of responsibilities and productive discussions in the best interest of the Group and shareholders.						
	During the FY2022, the Board endorsed the Directors' Fit and Proper Policy for the Group, which serves as a guide to the Board, the NRC and the boards of directors of the Company's subsidiaries in their review and assessment of candidates for appointment/re-election/re-appointment to the Board or boards of the Company's subsidiaries. The candidates are assessed based on the process and criteria as set out in the policy to determine their fitness and probity.						
	The Directors' Fit and Proper Policy is available on Ranhill's website at www.ranhill.com.my .						
	For Senior Management, the process of appointment and retention comes under the Group's Human Resources ("GHR") policy which is administered by the GHR Division.						
Under GHR, all Senior Management's selection process will be done by interviewing several qualified candidates based on the criteria stipulated in the Job Description of the Senior Management's position. The vacant is normally to be advertised internally among employees. However, if the special skills or competencies require external candidates, GHR will use agencies to search for the right candidate.							
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

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board manages its succession planning with the assistance of the NRC. The NRC annually reviews the size, composition and diversity of the Board and the mix of existing and desired competencies across members and reports its conclusions to the Board.</p> <p>The search for candidates is performed through various means which include recommendations from incumbent Directors, Management or external parties including leveraging on the Group's contacts in related industries, and finance, legal and accounting professions. The Group also considers the recommendations from past Board members as well as those of Directors of other public listed companies.</p> <p>Other available methods include utilising the services of executive recruiters or head-hunters, leveraging on personal relationships and networks and reviewing the women's register of Directors.</p> <p>The search for Directors by the NRC is based on the Group's skills matrix which enables Ranhill to identify gaps in its existing competencies. Where the committee identifies existing or projected competency gaps, it recommends a succession plan to the Board that addresses those gaps. The Board does not currently consider that there are any existing or projected competency gaps.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>As part of the process for appointment of new director and annual board effectiveness assessment via a BAE, each director is required to execute such declaration pursuant to applicable laws, to disclose any conflict of interest, relationship with director or major shareholders, contract or possession of property and others. In addition, at each quarterly Board meeting, the Secretary will table to the Board a report to notify on any such interest, position or relationship that has been notified by a director.</p> <p>Detailed profiles of newly appointed director(s) will be available on Ranhill's website and Annual Report ("AR") for shareholders' reference. Further clarification and information required could do through the inquiry section or box on Ranhill's website.</p> <p>The same procedures and applications are applicable before nominating a Director for election or re-election by shareholders. All material information concerning the Director standing for election or re-election is available in the Directors' Profiles section of the AR. The Board presents the findings of the overall Board evaluation including the performance of Directors seeking re-election at the AGM in the Corporate Governance Overview Statements ("CGOS") of the AR to enable shareholders to make informed decisions. Statement Accompanying Notice for the forthcoming AGM will include the recommendation from the Board for the re-appointment of the Director.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied
Explanation on application of the practice	:	<p>Ranhill's NRC is chaired currently by Datuk Abdullah Karim, the Group's Senior INED ("SINED").</p> <p>Datuk Abdullah Karim's selection for the position is based on his extensive experience and expertise as an established corporate leader who brings over 39 years of experience in the oil and gas industry with PETRONAS, and also taking into account his proven leadership capabilities as he holds directorships in three (3) public listed companies: Icon Offshore Berhad, Uzma Berhad and Yinson Holdings Berhad.</p> <p>His profile is given in the Board of Director's Profiles section of AR 2022. The specific responsibilities of the SINED are as set out in the Board Charter, which is available on Ranhill's website at www.ranhill.com.my.</p> <p>At the present moment, given the committee's effectiveness, the Board believes there is no requirement to have separate Board Committees for the NRC function respectively.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	The Board comprises three (3) female directors representing 33% women directors namely Ms Leow Peen Fong, Dr Arzu Topal and Cik Zurina Abdul Rahim.	
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

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	:	The Board Charter stipulates that the composition of the Board shall be diverse in terms of age, skills, qualification, experience, cultural background, nationality, and gender to encourage enhanced decision making by harnessing different insights and perspectives. A statement on gender diversity is available on the CGOS of the AR 2022.												
		Ranhill has continued to emphasize gender diversity in the hiring, promotion and training of staff by advocating an equal opportunity and equal environment in the workplace with Human Resources (“HR”) establishing policies to that effect.												
		With respect to Top Management and Senior Management, about 16% of positions are filled by women. Across the Group, women make up 21% of the workforce.												
		<table><tr><td rowspan="2">Ranhill Group Gender Diversity</td><td>Male</td><td>Female</td><td>Total</td></tr><tr><td>3,162(79%)</td><td>856 (21%)</td><td>4,018</td></tr></table>			Ranhill Group Gender Diversity	Male	Female	Total	3,162(79%)	856 (21%)	4,018			
		Ranhill Group Gender Diversity	Male	Female		Total								
3,162(79%)	856 (21%)		4,018											
<table><tr><td colspan="2">Women in Management</td><td>No</td></tr><tr><td colspan="2">Top Management (Vice President and above)</td><td>3</td></tr><tr><td colspan="2">Senior Management (Assistant General Manager, General Manager, Senior General Manager)</td><td>8</td></tr><tr><td colspan="2">Middle Management (Assistant Manager to Senior Manager)</td><td>83</td></tr></table>			Women in Management		No	Top Management (Vice President and above)		3	Senior Management (Assistant General Manager, General Manager, Senior General Manager)		8	Middle Management (Assistant Manager to Senior Manager)		83
Women in Management		No												
Top Management (Vice President and above)		3												
Senior Management (Assistant General Manager, General Manager, Senior General Manager)		8												
Middle Management (Assistant Manager to Senior Manager)		83												
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

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

Practice 6.1

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

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

Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.

Application	:	Applied
Explanation on application of the practice	:	<p>Board effectiveness is assessed on the annual BAE exercise. The BAE provides for both peer and self-assessment via a questionnaire.</p> <p>The NRC is responsible for the BAE which assesses individual Board members based on selected criteria. The criteria include a level of responsibilities, time commitment and contribution of Directors during Board and Board Committees' meetings as well as Board Committees' compositions, roles and responsibilities.</p> <p>Criteria for Board evaluation:</p> <ul style="list-style-type: none">• Assessment of achievement against mandate.• Evaluation of organization performance against industry norms and measurement of performance indicators.• Dealing fairly with staff and others.• Achievement of Board objectives, quality of decisions (value-adding).• Ability to conduct business honestly, ethically and professionally.• Effective committee structures.• Collective responsibility and teamwork demonstrated.• Compliance with the Code of Corporate Governance.• Frequency and duration of Board meetings appropriate; quality of Board papers; relevance and completeness of agendas.• Information and advice received was relevant, adequate and timely.• Effective reporting – disclosure, transparency, clarity.• Monitoring and feedback process effective.• Ability to innovate, change, improve and learn.• Ability to interact with shareholders effectively.

	<p>Criteria for Director evaluation:</p> <ul style="list-style-type: none"> • Commitment in terms of time and effort. • Attendance at Board meetings. • Ability to participate actively and contribute, and ask tough questions. • Exposure to orientation, upgrading knowledge base. • Knowledge of company, industry. • Understanding company's mission, vision, strategic plans. • Bringing special expertise to the Board. • Level of preparation at meetings. • Team player. No conflict of interest. <p>Fit and proper criteria evaluation:</p> <p>In addition to the BAE, the assessment on fitness and propriety was conducted on the directors who are seeking re-election at the forthcoming AGM. The assessment is conducted in accordance with the process as stipulated in the Company's Directors' Fit and Proper Policy.</p> <p><u>Assessment and outcome</u></p> <p>The BAE FY2022 results and all related comments by Directors were highlighted to the NRC, Chairman and the summary of which was discussed at the NRC and tabled to the Board at its meeting. Evaluation results of the Directors were sent to the Board Chairman and the respective directors.</p> <p>Based on the findings, the overall results of the BAE showed all Directors having performed well in the execution of their fiduciary duties and have achieved satisfactory scores for the execution of responsibilities, time commitment and contribution to the running of the Board. Due to satisfactory results of the directors' performance and fit and propriety declaration for FY2022, the Board is strongly recommended the proposed re-election of the retiring directors at the forthcoming AGM of the Company.</p> <p>The Board and NRC are satisfied that the Board and Board committees' composition in terms of size, the mix of skill, diversity and other relevant attributes and independence. The Board has also acknowledged that the board subsidiaries have worked well with the right mix of board members and contributed effectively to the performance of the subsidiaries.</p> <p>The performance of each Director retiring at the next AGM is taken into account by the Board in determining whether or not the Board should support the re-election of the Director.</p>
<p>Explanation for departure</p>	<p>:</p>

<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 Group has established clear guidelines for the remuneration of both EDs and Non-Executive Directors. The main objective of the guidelines is to attract and retain required talent to provide necessary stewardship for Ranhill at the Board and senior management level.</p> <p><u>Directors' Remuneration</u></p> <p>Directors' Remuneration is to be approved at the Group's AGM by shareholders annually and is to be paid out on a quarterly basis.</p> <p>The Group's NRC is responsible for evaluating and setting competitive remuneration for Directors. This is performed on an interval of 2-3 years' basis with recommendations then submitted for Board approval.</p> <p>The NRC makes recommendations for remuneration for INEDs based on the following (but not limited to) criteria: expertise and experience, time commitment, workload and responsibilities assumed as well as the overall performance of the Group for the financial year.</p> <p>In the case of INEDs, as explained above, remuneration is a matter for the Board as a whole, with individual Directors abstaining from discussion of his / her own remuneration.</p> <p>The level of remuneration for the CE and EDs is determined by the NRC after giving consideration to the compensation levels for comparable positions among other similar Malaysian listed companies as well as overall achievement of individual KPIs as well as Group performance.</p>

	<u>Senior Management Remuneration</u> GHR will engage with consultant every three (3) years to conduct a salary study and review to ensure the company's remuneration package is compatible with market practices. The latest salary review study on remuneration package for Ranhill and Group of companies includes the remuneration package for the senior management which was conducted in 2022.	
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>Ranhill has established its NRC that is guided by its ToR which facilitates a formal and transparent process in setting and approving the remuneration of the Board and Board Committees, the CE and Senior Management.</p> <p>The ToR can be viewed at www.ranhill.com.my. The current NRC comprises of:</p> <ul style="list-style-type: none">• Datuk Abdullah Karim (Chairman/SINED)• Abu Talib Abdul Rahman (Member/INED)• Leow Peen Fong (Member/INED)• Dr. Arzu Topal (Member/INED) <p>The Board is satisfied that the NRC has discharged its roles and responsibilities with effectiveness for both its nomination and remuneration functions. Hence, there is no requirement for separate Board Committees for the nomination and remuneration functions.</p> <p>A review of the remuneration of senior executive management is included in NRC's role pursuant to the Corporate Governance Code. The NRC's ToR is available on Ranhill's website at www.ranhill.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	Ranhill provides a detailed breakdown on the remuneration of all directors, which includes fees, salary, bonus, benefits-in-kind and other emoluments as set out in the table below:-

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	Tan Sri Hamdan Mohamad	Executive Director	-	-	-	-	-	-	-	228	932	3,436	841	786	1,159	7,382
2	Datuk Seri Lim Haw Kuang	Executive Director	-	127	4,030	-	-	-	4,157	-	-	-	-	-	-	4,157
3	Datuk Abdullah Karim	Independent Director	230	37.5	-	-	-	-	267.5	108	4.5	-	-	-	-	380
4	Lim Hun Soon @ David Lim	Independent Director	190	30	-	-	-	-	220	-	-	-	-	-	-	220
5	Leow Peen Fong	Independent Director	223.3	39	-	-	-	-	262.3	295.2	-	-	-	-	-	557.5
6	Abu Talib Abdul Rahman	Independent Director	230	44	-	-	-	-	274	144	8	-	-	-	-	426
7	Dr Arzu Topal	Independent Director	329	22.5	-	-	-	-	351.5	-	-	-	-	-	-	351.5
8	Amran Awaluddin	Executive Director	-	-	-	-	-	-	-	180	6	1,398	167	60	203	2,014
9	Zurina Abdul Rahim	Executive Director	-	-	-	-	-	-	-	36	26	573	75	30	91	831
10	Tan Sri Azman Yahya (Resigned w.e.f 26 February 2022)	Independent Director	47	5	-	-	-	-	52	-	-	-	-	-	-	52
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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>While the Board is cognisant of the importance of transparency, due to the intense competition and scarcity of C-level talent, more so for those who have the required mix of skills and experience that is uniquely suited to Ranhill’s business operations, the Group believes that individual disclosure on a named basis for the remuneration of the top five senior management personnel is not in the best interest of the Group.</p> <p>The profiles of Key Senior Management (“KSM”) are set out on the KSM section of the Ranhill AR 2022. The Company believes that the interest of the shareholders will not be prejudiced as a result of the non-disclosure of the KSM’s remuneration.</p> <p>Compensation is based on accepted industry benchmarks for the relevant positions based on expertise and experience. Additional remuneration such as year-end bonuses or performance rewards is based on merit in relation to the achievement of individual KPIs and Group’s achievement of specific goals.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board will continue to evaluate the implications of such disclosure and consider such disclosure in future.	
Timeframe	:	Others	The Company intends to maintain the current practice to preserve confidentiality of such information.

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The AC Chairman is Lim Hun Soon @ David Lim, an INED who is not the Chairman of the Board. Mr Lim holds a Bachelor of Arts in Economics from the University of Leeds and is a member of the Chartered Institute of Taxation, UK. He is also a Chartered Accountant and is a member of the Institute of Chartered Accountant in England and Wales and the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. Based on the above, Mr Lim is well qualified to hold the AC Chairman position and has been active in fulfilling his duties as AC Chairman during the financial year. The work done by the AC Chairman and AC Committee is given in the AC Report in the Ranhill AR 2022.	
	:		
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

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>The Group has always practiced this principle with no former audit partners having been appointed to the Board. Hence, no such person has been appointed as a member of the AC.</p> <p>Ranhill had established a formal policy stating the obligatory requirement of at least a three-year cooling-off period for any former key audit partners prior to the appointment on the Group's AC.</p> <p>The said policy has been incorporated in the AC's ToR and the said ToR is available at www.ranhill.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board had adopted the policies and procedures to assess the suitability and independence of the External Auditors. The Board, through its AC maintains a formal and transparent relationship with its External Auditors. The Board had delegated the responsibility to the AC for making recommendations on the appointment, re-appointment or removal of the External Auditors as well as on their remunerations. The AC assessed the performance and effectiveness of the External Auditors annually, considering amongst others, their qualifications, effectiveness of the audit process, quality of service and their independence.</p> <p>The policy and procedures to assess the suitability, objectivity and independence of the external auditor were reviewed by the AC and approved by the Board on 7 November 2019. The assessment of the suitability and independence of the External Auditors is conducted yearly.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Group's entire AC continues to comprise of Independent Directors as given below:</p> <ol style="list-style-type: none">1. Lim Hun Soon @ David Lim (Chairman/INED)2. Datuk Abdullah Karim (Member/SINED)3. Abu Talib Abdul Rahman (Member /INED) <p>The review of the composition of the AC shall be conducted annually. The AC members shall be appointed by the Board of Directors for a term of three (3) years as per the AC Terms of Reference, and the AC members may be eligible for re-appointment.</p>

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>All Directors including AC members continue to undergo regular training during the financial year, based on individual learning requirements as well as to stay abreast of financial or corporate developments.</p> <p>The AC members are expected to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to enable them to sustain their active participation during deliberations.</p> <p>The Chairman and members of the AC are financially literate, competent and have carried out their duties in accordance with the ToR of the AC.</p> <p>The list of training as well as learning events / programmes that AC members and all Directors have attended in 2022 is extensive. Hence, it is listed in the CGOS of the Ranhill AR 2022.</p> <p>Based on the outcome of the AC effectiveness assessment of the BAE 2022, the Board is satisfied with the AC's performance as its Chairman and members possess the necessary knowledge, experience, expertise and skills which contributed to the overall effectiveness of the AC.</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 of Ranhill has established a robust risk management and internal control framework. With this, the framework is based on an established and structured process that allows for effective identification, prioritisation and mitigation of risk. This includes all strategic risks such as business, operational, financial, regulatory and so on.</p> <p>The analysis and evaluation of risks are guided by approved risk criteria. The Group also has risk management tools to support the risk management process and reporting as guided by the Corporate Governance Model shown in the Governance Framework section of Ranhill CGOS.</p> <p>Full details of the Group's risk management framework and internal controls are given in the Statement on Risk Management and Internal Controls in the Ranhill AR 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

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 Board has put in place a well-defined risk management structure with clearly delineated lines of accountability, authority and responsibility, as explained in the following paragraphs:</p> <ul style="list-style-type: none">• GRMC <p>GRMC is a committee of the Board that assists the Board in fulfilling its corporate governance, risk management and statutory responsibilities in order to effectively manage the overall risk exposure of the Group.</p> <p>With the appointment of new GRMC members with effect from 15 April 2022, the GRMC comprises three (3) INED and three (3) ED. The chairperson of the GRMC is an INED. The GRMC functions within its terms of reference, and it meets at least four (4) times annually to review and deliberate all key risks identified by the Management.</p> <ul style="list-style-type: none">• MARCC <p>The GRMC is assisted by the MARCC in carrying out its risk oversight function. The MARCC, chaired by the ED and COO and comprises the Group's Senior Management, and it is responsible for implementing the risk management policy approved by the Board.</p> <p>The MARCC meets on a quarterly basis to monitor the risks faced by every Ranhill Group company. The submission of the quarterly Group risk profiles detailing the principal risks and management measures together with the quarterly compliance report are reviewed by MARCC prior to presentation to GRMC.</p> <p>During the current financial year, the MARCC Chairman reports the risk and compliance matters to the GRMC.</p> <ul style="list-style-type: none">• RMWCs <p>RMWCs are established at the respective Group Company</p>

	<p>and meets at least four (4) times a year. The RMWCs, chaired by the respective CEO of the Group Company and being risk owners are responsible for the effective management of their risk profiles.</p> <p>Such responsibilities include identifying potential risks and the impact thereof to the MARCC and implementing measures to mitigate those risks. Submission of the respective Group Company risk profiles, substantial risks and RMWC minutes of meeting to the Risk Management Unit (“RMU”) of GCAD is performed on a quarterly basis.</p> <ul style="list-style-type: none"> • GCAD <p>GCAD under its Risk Management Unit (“RMU”) assists the MARCC in the discharge of its functions by guiding the risk coordinators on risk-related matters.</p> <p>Its work scope includes collating all respective Group Company’s risk profiles and ensuring that risk owners implement its action plan to mitigate the risks identified. The RMU is responsible in preparing the Group’s key risk profile on a quarterly basis for submission to the MARCC and subsequently to GRMC.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	Not Adopted
Explanation on adoption of the practice	:	

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 GCAD performs the Group's internal audit function.</p> <p>GCAD brings an objective and disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.</p> <p>GCAD has a functional reporting line to the AC and administratively reports to the Chairman & CE.</p> <p>Internal audit reports on control effectiveness and efficiency are submitted to the AC in line with the agreed audit plan.</p> <p>The AC approves the annual audit plan and receives reports produced by GCAD throughout the year. The AC had reviewed the annual assertion on Internal Auditing Standards for financial year 2022 and was satisfied that the Internal Auditors were free from any relationship or conflict of interest that could impair their objectivity and independence.</p> <p>GCAD conducts risk-based internal audit reviews at both operational and corporate levels. Plans and tools for corrective action and improvements are identified with operations management to address any issues or deficiencies identified. GCAD follows up on the implementation of its recommendations and reports the outcome to the AC.</p> <p>GCAD had also engaged a third party to perform a Quality Assurance Review exercise to gauge the effectiveness of its internal audit functions against the International Professional Practices Framework ("IPPF") and International Standards for the Professional Practice of Internal Auditing (Standards).</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 Board has disclosed the following in its AC Report for FY2022:</p> <ul style="list-style-type: none">• The AC had reviewed the annual assertion on Internal Auditing Standards for FY2022 and was satisfied that the Internal Auditors were free from any relationship or conflict of interest that could impair their objectivity and independence.• There are eight internal auditors in the GCAD and the majority of them are members of relevant professional bodies such as the Institute of Internal Auditors Malaysia and Malaysia Institute of Accountants.• The AC is assisted by GCAD in discharging its duties and responsibilities. GCAD is independent of business operations and reports functionally to the AC.• GCAD is headed by Mr. Shariz Puteh, who holds a bachelor's degree in Accounting and Financial Management from the University of Essex, United Kingdom and is a Certified Financial Services Auditor ("CFSA"). He is also a Chartered Member of the Institute of Internal Auditors Malaysia ("CMIIA").• All internal audit activities undertaken are guided by the International Professional Practices Framework ("IPPF") of Internal Auditing, the Corporate Governance Guide, BMLR, the Internal Audit Charter as well as the Internal Audit P&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

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 Group continues to actively and regularly engage stakeholders which comprise investors, analysts, regulators, shareholders, the media, and the general public.</p> <p>Communication initiatives include sharing the Group's quarterly interim performance and full-year financial results which are disclosed to regulatory authorities and the media as well as on Ranhill's Investor Relations website at www.ranhill.com.my.</p> <p>In addition, the Group issues press releases, holds media conferences, interviews, or analyst briefings, and participates in industry roadshows and other stakeholder engagement activities. Both Board members and Senior Management are involved in these engagements.</p> <p>Working together with corporate communications, the Investor Relations department provides strategic support in the planning and organisation of stakeholder engagement and communications across the year.</p> <p>Management is guided by the Investor Relations Policy as approved by the Board on 7 November 2019.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company had complied with the 28 days’ notice for the issuance of the 8th Annual General Meeting (“8th AGM”) of the Company. The 8th AGM notice was issued on 29 April 2022 and the date of the Company’s 8th AGM was on 2 June 2022 (more than 28 days).</p> <p>This allows sufficient time for shareholders to make necessary arrangements to attend and participate in the 8th AGM, to consider the proposed resolutions and make informed decisions at the 8th AGM. The Administrative Guide of the 8th AGM was issued together with the Notice as guidelines for attending the physical 8th 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 13.2

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 Company convened a physical AGM for its 8th AGM in 2022. All nine (9) directors attended the 8th AGM held at Grand Hyatt Hotel, Kuala Lumpur on 2 June 2022 at 2:30 p.m. The corporate representatives, management and auditors were also present at the 8th AGM.</p> <p>The 8th AGM was chaired by Tan Sri Hamdan Mohamad, Chairman & CE of the Company. The shareholders were encouraged to ask questions before putting a resolution to vote. Tan Sri Chairman and the directors addressed all the questions and comments raised by the shareholders and proxies and the Q&As from the meeting are attached to the minutes of the 8th AGM which are available on the Ranhill's website at www.ranhill.com.my.</p> <p>In ensuring that Directors continue to attend general meetings called by the Company, the Company Secretaries will continue to provide all meeting dates one (1) year in advance. As for this year, all directors are expected to attend the 2023 9th AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>After two years of having virtual AGMs due to the Covid-19 pandemic, with the country having transitioned into the endemic phase of Covid-19, the Board has opted to revert to a physical platform. Hence, the 8th AGM in 2022 is the year that the Board has taken the opportunity to engage with the shareholders on a physical platform.</p> <p>The Board is cognizant of the leverage on the technology or application which enabled voting in absentia and remote shareholders' participation to encourage shareholders' participation in the AGM. After taking into account the cost to conduct the AGM by combining physical and remote voting and participation i.e. hybrid format, the proposal has been kept in abeyance.</p> <p>Considering the cost and expected participants, the Board will consider a hybrid or virtual format for the coming years' AGMs.</p> <p>For the physical AGMs, the Board is always considering the location or venue of the AGM which shall be accessible to the shareholders. The 8th AGM in 2022 was held at KL in the city area. In terms of cost, the Board has placed a budget considering physical which is higher than the virtual format and the cost shall not be detrimental to the financial performance of the Company.</p> <p>If a shareholder is unable to attend the meeting, the shareholder may appoint a proxy or the Chairman of the Meeting as his/her proxy to attend, participate, speak and vote in his stead at a general meeting.</p> <p>Moving forward, the Company aims to leverage on technology to facilitate voting in absentia and remote shareholders' participation at general meetings, taking into consideration the</p>

	number of shareholders residing at remote locations the availability, affordability, accuracy and stability of such technologies and infrastructure, and age profile of the shareholders.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 13.4

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

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board views the general meetings of the Company as important and a platform of communication and engagement with the shareholders. It brings an opportunity for shareholders to engage with the Board and management on the performance of the business they own.</p> <p>Besides the Board being present, key senior management and the auditors were also present at the general meetings. The external consultants, where applicable, will be required to attend the general meetings to address questions relating to their area of expertise.</p> <p>The Board scheduled a Q&A session for shareholders at the general meetings to ensure there will be sufficient opportunity for the shareholders to raise questions during the meetings and for the Board to provide meaningful responses. To ensure also the Q&A session allow interactive engagement and robust discussion of the agenda of the meetings, among them are the company's financial and non-financial performance also the company's long-term strategies. The Company ensures sufficient equipment and facilities for the Q&A session at the meeting venue.</p> <p>The Q&A session of the physical 8th AGM held on 2 June 2022 had been conducted within the expectations as explained under Practice 13.2 of this CG report. The shareholders actively raised questions to the Board which ranges from Group's financial and business performance, project, share price, dividend and governance. The minutes of the 8th AGM including Q&A are made available on the Ranhill's website, for shareholders' reference.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 13.5

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

<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	:	Not applicable – only physical general meetings were conducted in the financial year	
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 13.6

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 8 th AGM of the Company held on 2 June 2022 was confirmed by the Chairman of the meeting and made available in the Shareholders section of Ranhill's website for shareholders' access.
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 PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

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