

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 7245  
**COMPANY NAME** : Citaglobal Berhad (formerly known as WZ Satu 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 PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("<b>Board</b>") takes full responsibility for the overall performance of the Group by setting the strategic directions and objectives, formulating the policies and executing the key strategic action plans. The Board regularly reviews the Group's business operations and maintains full and effective control over the management of the Group.</p> <p>In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter, which outlines the duties and responsibilities of the Board, matters reserved for the Board as well as those which the Board may delegate to the Board Committees and Management.</p> <p>The Board has reserved a formal schedule of matters for its decision making to ensure that direction and control of the Company are firmly in its hands. It has also set the strategic direction of the Company, exercised oversight on Management and set the appropriate tone at the top, while providing thought leadership and championing good governance and ethical practices throughout the Company.</p> <p>The Executive Directors are responsible for implementing the policies and decisions of the Board, overseeing day to day operations as well as coordinating the development and implementation of business and corporate strategies.</p> <p>The Board is assisted by various Board Committees, namely Audit Committee, Nomination and Remuneration Committee, Risk, Finance and Investment Committee, Long Term Incentive Plan Committee and Shariah Advisory Committee which operate within their Terms of Reference.</p>

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

## Intended Outcome

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

## Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Board is YBhg. Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria. He was re-designated to Executive Chairman &amp; President on 8 September 2021.</p> <p>The role and responsibilities of the Chairman are stated in the Board Charter which is available on the Company's website at <a href="http://www.citaglobal.my">www.citaglobal.my</a>.</p> <p>The Chairman is responsible for providing leadership to the Board, controlling the orderly and effective functioning of the Board, ensuring the integrity and effectiveness of the governance processes of the Board and consults with the Board promptly over any matter that is pertinent to the Company and of concern to the Company.</p> <p>The Chairman acts as a facilitator at meetings of the Board and ensures that no Board Member, whether executive or non-executive, dominates the discussion. The Chairman also ensures that decisions are taken on a sound and well-informed basis, including ensuring that all strategic and critical issues are considered by the Board, and that Directors receive the relevant information on a timely basis.</p> <p>The Chairman assists with developing the Company's corporate strategy, building a pipeline of potential merger and acquisition transactions, growing the Company's market profile and establishing new corporate relationships.</p> <p>The Chairman also works with Management in reviewing plans, defining issues, maintaining accountability and in any marketing efforts that would allow to effectively position the Company with investors to facilitate growth. In conjunction with management, the Chairman leads the Company in its relationships with shareholders and financial institutions.</p>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>YBhg. Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria is the Executive Chairman &amp; President of the Company. The Board noted the combination of the positions of the Chairman and the President is essential for the commercial environment that the Group is currently operating. Such a combination of roles renders creditability and confidence to third party(ies) on the authority of the Chairman and President for the successful conclusion of commercial deals/ transactions.</p> <p>As the alternate practice, the Board undertakes the following efforts to ensure there is a balance of power and authority on the Board:-</p> <p>(a) The composition of the Board consists of a majority of Independent Non-Executive Directors, who, collectively, have the weightage in terms of the Board's decision making and are free to exercise their independent judgement or act in the best interests of the Company, and to safeguard the interest of the minority shareholders.</p> <p>(b) The decision of the Board shall always be agreed upon by at least the majority of the Directors present at the Meeting, therefore, no individual Director can dominate the decision-making of the Board.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b> :	Departure
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	YBhg. Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria, the Executive Chairman & President of the Company is also a member of the Risk, Finance and Investment Committee.
	YBhg. Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria is conscious of his differing roles on the Board, and in the Risk, Finance and Investment Committee. All issues before recommending to the Board are thoroughly deliberated at the committee levels which involved the participation of two (2) Non-Executive Directors. All recommendations by the Committee to the Board have been arrived at unanimously and this would have eliminated the risk of self-review.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by two (2) Company Secretaries who are qualified to act as company secretaries under Section 235(2) of the Companies Act 2016. They are responsible for providing Directors with advice on compliance and corporate governance issues.</p> <p>The Board is regularly updated by the Company Secretaries on new changes to the statutory and regulatory requirements and the resultant implications to the Company and the Board in discharging their duties and responsibilities.</p> <p>The Company Secretaries attend the Board and Board Committees meetings and ensure the meetings are properly convened and deliberations at those meetings are well captured and minuted. All Directors have access to the advice and services of the Company Secretaries in carrying out their duties.</p> <p>The Company Secretaries also undertake the statutory duties as prescribed under the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

### Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All Directors are provided with relevant information of the Group and the Company to enable them to discharge their duties effectively. The notice of the Board Meetings is served at least seven (7) days before each Board Meeting. In compliance with Practice 1.6 of the Malaysian Code on Corporate Governance, meeting papers and agenda items are to be circulated at least five (5) business days prior to the Meetings to allow ample time for Directors to consider the relevant information.</p> <p>The Directors have a duty to declare to the Board should they have any interest in transactions to be entered into, directly or indirectly, with the Group or the Company. The interested Directors would abstain from deliberations and decisions of the Board on the said transaction.</p> <p>In the event a corporate proposal is required to be approved by shareholders, the interested Directors would also abstain from voting in respect of their shareholdings relating to the corporate proposal, and would further undertake to ensure that persons connected to them similarly abstain from voting on the resolution(s).</p> <p>Minutes of each Board meeting are circulated to all Directors on a timely basis before the next succeeding Board meeting for their perusal prior to confirmation of the minutes during the Board meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter clearly sets out the respective roles and responsibilities of the Board, Board Committees, individual Directors and Management; and issues and decisions reserved for the Board.</p> <p>The Board will perform a periodic review of the Board Charter to ensure it remains consistent with the Board's objectives, current laws/regulations, good governance practices and in compliance with the Malaysian Code on Corporate Governance.</p> <p>The Board had on 13 April 2022 reviewed and adopted the revised Board Charter of the Company which is made available on the Company's website at <a href="http://www.citaglobal.my">www.citaglobal.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has in place a Code of Ethics and Conduct that is applicable to Directors and employees of the Group. The Code of Ethics and Conduct sets out the standards of good conduct and ethical practices, and aims to maintain confidence in the integrity of the Group's business practices.</p> <p>All Directors and employees of the Group must endeavour to observe the Code of Ethics and Conduct which provides guidance as to the ethical conduct to be complied with to uphold the principles of honesty and integrity, to ensure a high standard of ethical and professional conduct is upheld in the performance of their duties and responsibilities.</p> <p>The Code of Ethics and Conduct is accessible on the Company's website at <a href="http://www.citaglobal.my">www.citaglobal.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The whistleblowing channel is to enable employees and others to seek advice and without fear of retaliation, raise concerns or report instances of improper activities or misconduct, potential noncompliance with its Code of Ethics and Conduct, other corporate policies, laws and regulations.</p> <p>Employees are encouraged to first discuss any compliance matters internally with their immediate superior. If such measures are not deemed to be sufficient, a disclosure can be made in writing, orally or via electronic mail to: <a href="mailto:whistle@citaglobal.my">whistle@citaglobal.my</a> or send by mail in a properly sealed envelope and indicated "Strictly Confidential – To Be Opened by Addressee Only" and addressed to:</p> <p>The Audit Committee Chairman Citaglobal Berhad (formerly known as WZ Satu Berhad) Level 9, Block 4, Menara TH Plaza Sentral, Jalan Stesen Sentral 5, KL Sentral, 50470 Kuala Lumpur, Wilayah Persekutuan.</p> <p>The Whistleblowing Policy and Procedures are available on the Company's website at <a href="http://www.citaglobal.my">www.citaglobal.my</a>. The Board will review the Whistleblowing Policy and Procedures from time to time, as and when necessary, to accommodate changes in the business environment, administrative operational needs within the Group and ensure compliance with the legislation.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### Intended Outcome

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

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Given that sustainability is important in enhancing long-term business value, the Board endeavours to integrate the principles of sustainability into the Group's strategies, policies and procedures.  The Board has formalised the Group's strategies for promoting sustainability by adopting a Sustainability Policy. The Board and the Management are committed to continually improving the integration of sustainability into the working environment and business processes, together with accountability and transparency in the sustainability performance.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company recognises that sustainability is pertinent for creating long-term value for its business as well as its commitment as a responsible corporate citizen. As such, the Group engages with internal and external stakeholders through various channels to develop a better understanding of their needs and expectations as below:-</p> <ul style="list-style-type: none"> <li>• Internal – Intranet portal, emails, employee engagement, townhall and dialogues, etc; and</li> <li>• External – corporate website, annual report, press releases, social media, events, roadshows, general meetings, quarterly financial announcements, etc.</li> </ul>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board, through the Nomination and Remuneration Committee, assesses the training programmes attended by each Director during the financial year to ensure they are kept abreast of the latest development in the industry, as well as emerging sustainability issues that are relevant to the Group.</p> <p>The Board members continuously keep themselves abreast with and understand of the sustainability agendas which are relevant to the Company and its business through periodical updates by Bursa Securities, Securities Commission Malaysia (“SC”) and the training programmes attended by them respectively.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of sustainability in all its business operations and had included sustainability as one of the criteria in the performance evaluations of board members.</p> <p>The Board Effectiveness Evaluation for the financial year ended 31 December 2022 included an assessment of the Board’s understanding of sustainability issues that are critical to the Company’s performance.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

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

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

### Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination and Remuneration Committee continue to discharge their functions, review and consider refreshing the composition of the Board periodically and reviews the tenure of each Director and recommends Directors who are retiring by rotation for re-election which is clearly stated in the Terms of Reference of the Nomination and Remuneration Committee.</p> <p>The Nomination and Remuneration Committee annually reviews the performance of all directors including those seeking re-election based on competency, preparedness and independence (for independent directors). Only those with satisfactory evaluation are recommended to the Board for re-election.</p> <p>The Nomination and Remuneration Committee is responsible for the succession planning of the Board to ensure the Board continues to be effective with the right composition, which would enable it to be better equipped to respond to challenges that may arise and deliver value.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>For the financial year ended 31 December 2022, the Board consists of seven (7) Directors, five (5) of whom are Independent Non-Executive Directors, one (1) is a Non-Independent Non-Executive Director and one (1) is an Executive Director. As such, more than half of the Board Members comprise independent directors.</p> <p>Such composition is able to provide independent and objective judgement to facilitate a balanced leadership in the Company as well as providing effective checks and balances to safeguard the interests of the minority shareholders and other stakeholders, and ensuring high standards of conduct and integrity are maintained.</p> <p>The Nomination and Remuneration Committee (“<b>NRC</b>”) reviews the independence of the Directors annually according to the criteria on independence set out in the Main Market Listing Requirements (“<b>Main LR</b>”) of Bursa Malaysia Securities Berhad and Practice Notes of Main LR.</p> <p>In addition to the annual review by the NRC of the Directors’ independence, each Independent Non-Executive Director also submits an annual declaration regarding his independence.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.3

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>As disclosed in the Board Charter, the tenure of an Independent Non-Executive Director (“INED”) shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the INED may continue to serve on the Board subject to his re-designation as Non-Independent Director. In the event the Director were to remain designated as an INED, the Board shall first provide justification, upon the recommendation of the Nomination and Remuneration Committee and thereafter obtain the relevant shareholders’ approval through a two-tier voting process as described in the MCCG.</p> <p>There were no INEDs whose tenure exceeds a cumulative term of nine (9) years in the Company thus far.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

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

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

## Intended Outcome

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

## Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination and Remuneration Committee ("<b>NRC</b>") is responsible for making recommendations for the appointment of directors to the Board.</p> <p>In making recommendations for suitable candidates, the NRC considers the following:-</p> <ul style="list-style-type: none"><li>• skills, knowledge, expertise and experience;</li><li>• professionalism;</li><li>• integrity;</li><li>• competencies, commitment, contribution and performance; and</li><li>• in the case of candidates for the position of Independent Non-Executive Director ("<b>INED</b>"), the NRC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from INEDs;</li></ul> <p>The appointment of Key Senior Management is based on character, experience, integrity, competency and time to discharge their role. The Board pursues diversity at both the Board level and Key Senior Management.</p> <p>The Board recognises a diverse Board in the Company could offer greater depth and breadth compared to a non-diverse Board whilst the diversity at Key Senior Management will lead to better decisions.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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



**Intended Outcome**

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

**Practice 5.6**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board uses a variety of sources for the identification of suitable candidates. The Board may rely on recommendations from the existing Board members, Management and major shareholders as well as other independent sources.</p> <p>The Nomination and Remuneration Committee (“NRC”) is responsible for recommending suitable candidates to the Board for its consideration. The NRC is also open to referrals from external sources available, such as industry and professional associations, as well as independent search firms.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The details of the Directors' interests, positions and experience are set out in the Directors' profiles in the Annual Report. The performance of the retiring directors is assessed by the Nomination and Remuneration Committee and Board before the recommendation is made to the shareholders for consideration. For independent directors, the Nomination and Remuneration Committee also assess their relationship with the executives that might influence, or reasonably be perceived to influence their capacity to bring an independent judgement and to act in the best interests of the listed company as a whole.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Nomination and Remuneration Committee is chaired by YBhg. Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin, who is an Independent Non-Executive Director of the Company.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board acknowledges that the recommendation of Practice 5.9 of the MCCG with regard to the 30% women representation on the Board has yet to be adopted.	
		Nonetheless, the main criteria of Citaglobal Berhad Board's candidate are meritocracy based on relevant qualifications, experience, knowledge and expertise that will enhance the Board's value.	
		Alternate Practice:	
		The Board will, from time to time, review its composition and size to ensure it fairly reflects the investments of the shareholders of the Company while at the same time having due regard for diversity in skills, experience, cultural background, gender and age.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board notwithstanding the view that diversity should be in tandem with expertise, experience and skills and not gender alone acknowledges the importance of the establishment of a gender diversity policy. The Board shall appoint woman board representation as and when there is a vacancy as well as when suitable and qualified candidates are identified.</p> <p>The diversity policy is made available on the Company’s website at <a href="http://www.citaglobal.my">www.citaglobal.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Company is not classified as "Large Company".  The Board, individual Directors and Board Committees are assessed by the Nomination and Remuneration Committee (" <b>NRC</b> ") through the following annual assessments once every year:-  (a) Effectiveness of the Board as a whole and the Committees of the Board; (b) Contribution and performance of each individual Director; (c) Contribution and performance of the Audit Committee and each individual Audit Committee member; and (d) Independence of Independent Non-Executive Directors.  The annual assessments are conducted on a yearly basis and each of the Directors are given a chance to provide feedback on the effectiveness of the Board as a whole and their individual performance and contribution to the Board. In addition, the NRC members also assessed the contribution and performance of the Board Committees and each individual Audit Committee member. The results of all the assessments are then collated by the Company Secretaries and tabled to the NRC for deliberation.  In the annual assessment of individual Directors by the NRC, the skills and experience of individual Directors are reviewed to ensure the composition of the Board is appropriate with a good mix of skills and core competencies in order to discharge its duties and responsibilities and to meet the business needs of the Group.  The Board is satisfied with the results of the annual assessment. The Board views that the current size and the existing composition of the Board are sufficient and well balanced, cater effectively to the scope of

	the Group's operations and there is an appropriate mix of knowledge, skills, attributes and core competencies in the Board. As presently constituted, the Board has the stability, continuity and commitment as well as the capacity to discharge its responsibilities effectively.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had established a formal and transparent Directors and Senior Management's Remuneration Policy as a guide for the Board and the Nomination and Remuneration Committee ("<b>NRC</b>") to determine the remuneration of Directors and Key Senior Management of the Company, which take into account the demands, complexities and performance of the Company as well as skills and experience required.</p> <p>The Directors and Senior Management's Remuneration Policy is made available for reference on the Company's website at <a href="http://www.citaglobal.my">www.citaglobal.my</a>.</p> <p>The NRC is responsible to review, assess and recommend the remuneration packages of the Executive Directors and to ensure the levels of remuneration are sufficiently attractive and able to retain the Executive Directors needed to run the Company successfully.</p> <p>The Executive Directors' remuneration is designed to link rewards to the Group's and individual's performance whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience and the level of responsibilities assumed. Additionally, in ensuring that the Directors' remuneration is in line with the market expectation and competition to retain and attract talents in the Group, reference is made to the Directors' remuneration offered by other public listed companies.</p> <p>The Executive Directors concerned play no part in the decision on their own remuneration. Likewise, the remuneration of the Independent Non-Executive Directors is a matter for the Board as a whole, with individual Directors abstaining from discussion of their own remuneration.</p>



	The NRC will review and assess the effectiveness and continued relevance of the Directors' and Senior Management's Remuneration Policy on a periodic basis.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has in place a Nomination and Remuneration Committee ("NRC") which comprises solely the Non-Executive Directors.</p> <p>The NRC's primary responsibilities include establishing, reviewing and recommending to the Board the remuneration packages of each individual Executive Director and Key Senior Management to ensure that their remuneration should be commensurate with their responsibilities and commitment.</p> <p>The authority, duties and responsibilities of the NRC are clearly defined in its Terms of Reference which is available on the Company's website at <a href="http://www.citaglobal.my">www.citaglobal.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The details of the remuneration of the Directors of the Company for the financial year ended 31 December 2022 are disclosed 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 Dato' Sri (Dr.) Mohamad Norza Bin Zakaria	Executive Director	-	144.0	640.0	40.0	19.4	99.9	943.3	-	144.0	640.0	40.0	19.4	99.9	943.3
2	Ikhlas Bin Kamarudin	Non-Executive Non-Independent Director	60.0	2.5	-	-	-	-	62.5	125.0	2.5	-	-	-	-	127.5
3	Rosli Bin Shafiei	Independent Director	72.0	13.0	-	-	-	-	85.0	72.0	13.0	-	-	-	-	85.0
4	Datuk Idris Bin Haji Hashim J.P.	Independent Director	60.0	15.0	-	-	-	-	75.0	60.0	15.0	-	-	-	-	75.0
5	Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin	Independent Director	60.0	14.5	-	-	-	-	74.5	60.0	14.5	-	-	-	-	74.5
6	Dato' Mohan A/L C Sinnathamby	Independent Director	60.0	9.5	-	-	-	-	69.5	81.1	9.5	-	-	-	-	90.6
7	Aimi Aizal Bin Nasharuddin	Independent Director	60.0	3.0	-	-	-	-	63.0	180.0	3.0	-	-	-	-	183.0

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board is of the view that the disclosure of the details of the senior management's remuneration would not be in the best interest of the Company due to confidentiality and the competitive nature of the industries in which the Group operates.</p> <p>The Board ensures that the remuneration of Senior Management is fair and commensurate with the performance of the Group and the contributions made by the Senior Management, but at the same time, it is able to attract, retain and motivate the Senior Management to excel in their respective roles.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

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



**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the Audit Committee, Encik Rosli Bin Shafiei, is an Independent Non-Executive Director and is not the Chairman of the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>None of the Audit Committee Members was former key audit partners.</p> <p>The policy on observation of a cooling-off period of at least three (3) years for a former key audit partner prior to the appointment as a member of the Audit Committee, had been incorporated in the Terms of Reference of the Audit Committee.</p> <p>The Terms of Reference of the Audit Committee is available for reference on the Company's website at <a href="http://www.citaglobal.my">www.citaglobal.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had adopted the policies and procedures to assess the suitability, objectivity and independence of the external auditors, which are available on the Company's website at <a href="http://www.citaglobal.my">www.citaglobal.my</a>.</p> <p>The external audit function under the purview of the Audit Committee is essential for all shareholders in ensuring the reliability of the Group's financial statements. The Board maintains a formal and transparent professional relationship with the Group's independent external auditors via the Audit Committee.</p> <p>The Audit Committee is tasked with the annual assessment process on the performance and quality of external auditors and their independence, objectivity and professionalism.</p> <p>For the financial year ended 31 December 2022, the Audit Committee undertook an assessment of the suitability and independence of the external auditors, using a questionnaire-based internal review, as well as input from officers who have constant contact with the team of external auditors.</p> <p>The Audit Committee also reviewed the independence of the external auditors and the level of non-audit services rendered by the external auditors.</p> <p>Based on the results of the evaluation, the Audit Committee is satisfied with the performance of the external auditors, their adequacy of experience, resources and the professional staff assigned to the audit of the Group. The Board has accepted the recommendation of the Audit Committee for the re-appointment of Messrs. Baker Tilly Monteiro Heng PLT as external auditors of the Company for the ensuing financial year in the upcoming Annual General Meeting of the Company.</p>
<b>Explanation for departure</b>	:	

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Audit Committee comprises solely the Independent Directors and as such, there is a strong and independent element to provide effective oversight for it to function effectively and exercise objective judgements independently.

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The members of the Audit Committee collectively have the necessary skills related to finance, audit, commercial expertise, and accountancy to meet their responsibilities and provide an effective level of challenge to management. The qualification and experience of the individual Audit Committee members are disclosed in the Directors' Profiles section in the Annual Report.</p> <p>The Audit Committee members are financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.</p> <p>Members of the Audit Committee attend trainings and talks to keep them updated on developments on financial standards and to effectively discharge their duties as members of the Audit Committee. Updates on developments in accounting and governance standards are presented by the external auditors at meetings of the Audit Committee.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges its responsibilities for maintaining a sound and reliable system of internal controls within the Group, covering financial controls, operational and compliance controls, and risk management. This is a continuing process which includes risk assessments, internal controls reviews, and internal audit checks on all companies in the Group.</p> <p>The system of internal controls of the Group, by its nature, is designed to provide reasonable but not absolute assurance against the risk of material errors, misstatements, fraud, or losses occurring.</p> <p>The Audit Committee is tasked with the duty to assess the Group's internal control environment to determine the adequacy and effectiveness of the system of internal controls put in place by Management. The review covers the financial, operational, and compliance controls.</p> <p>The information on risk management and internal control is set out in the Statement on Risk Management and Internal Control in the Annual Report 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that having an effective risk management and system of internal controls is an essential part of good business management practice. The Board also acknowledges that all areas of the Group's activities do involve some degree of risk and is committed to ensuring that the Group has an effective risk management framework which allows the Group to identify, evaluate, manage and monitor risks within defined risk parameters that affect the achievement of the Group's business objectives.</p> <p>The Board is assisted by the Audit Committee, the Internal Auditors and Management in identifying, approving, and implementing policies and procedures on risk management and internal control. As such, the Audit Committee assumes oversight of risk management matters. Management identifies and evaluates the risks faced, designs, implements and monitors an appropriate internal control system in line with the policies approved by the Board.</p> <p>The Group's internal control system, by its nature is designed to provide reasonable but not absolute assurance against the risk of material errors, misstatements, fraud, or losses occurring. The Group's outsourced internal audit function is tasked to independently carry out a review of the existing systems, controls and procedures, and thereafter provide such recommendations that would further enhance the existing internal controls. Based on the audits, the outsourced Internal Auditors provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group, and the extent of compliance by the units with the Group's established policies and procedures.</p> <p>The key features of the Group's risk management framework and internal control system are disclosed in the Statement on Risk Management and Internal Control in the Annual Report for the financial year ended 31 December 2022.</p>
<b>Explanation for departure</b>	:	

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

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Risk, Finance and Investment Committee (“<b>RFIC</b>”) chaired by an Independent Director and supported by the Executive Chairman &amp; President and one (1) Non-Independent Director facilitates to identify, assess and monitor key business risks to safeguard shareholders’ investments and the Group’s assets. The said Committee supports the Board by setting and overseeing the risk management framework and activities of the Group, and regularly assessing the Group’s risk management processes to ascertain their adequacy and effectiveness.</p> <p>The terms of reference of the RFIC is available for reference on the Company’s website at <a href="http://www.citaglobal.my">www.citaglobal.my</a>.</p>

### Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The internal audit function is supported by an outsourced independent professional service provider, RSM Corporate Consulting (Malaysia) Sdn. Bhd., to assist the Audit Committee as well as the Board in discharging their responsibilities by providing independent, objective assurance and advisory services that seek to add value and improve the Group's operations.</p> <p>The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operating effectively. The Internal Auditors' risk-based approach towards the planning and conduct of internal audits, is consistent with the Group's framework in designing, implementing and monitoring its internal control system.</p> <p>The Audit Committee approves their audit plan and upon completion monitors the implementation progress of their audit recommendations.</p> <p>The internal audit function provides the Board reasonable assurance of the effectiveness of the internal control system in the Group. The details and summary of work of the internal audit function are further disclosed in the Audit Committee Report in the Company's Annual Report for the financial year ended 31 December 2022.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company outsourced its internal audit function to an independent professional firm, RSM Corporate Consulting (Malaysia) Sdn. Bhd. that reports directly to the Audit Committee.</p> <p>The engagement team is headed by Mr Joe Lee Yaw Joo, Managing Director and assisted by Mr Charlie Christopher, Senior Manager of RSM.</p> <p>Size of engagement team: 2 – 4 employees</p> <p>Qualification of Managing Director: Member of the American Institute of Internal Audit, Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants and American Institute of Supply Management.</p> <p>Qualification of Senior Manager: Member of the Association of Chartered Certified Accountants (ACCA) and Associate Member of the Institute of Internal Auditors Malaysia (AIIA).</p> <p>The Audit Committee had evaluated and reviewed the Internal Audit function and was satisfied that the internal audit activities/audit plans were carried out in accordance with the recognised framework, which includes the Standards in the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors.</p> <p>The Audit Committee also received assurance from the outsourced Internal Auditors that all assigned Internal Auditors' engagement team personnel remain independent, objective and free from any relationships or conflicts of interest in carrying out their internal audit duties throughout the engagement.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Communication and engagement with stakeholders are made through various platforms i.e. media other than general meeting(s), press announcements, analyst briefings and via electronic means such as the website.</p> <p>The Board has put in place Corporate Disclosure Policies and Procedures to promote comprehensive, accurate and timely disclosure pertaining to the Company and the Group's matters to regulators, shareholders and stakeholders.</p> <p>The Company's corporate website at <a href="http://www.citaglobal.my">www.citaglobal.my</a> serves as one (1) of the most convenient ways for shareholders and members of the public to gain access to corporate information, news, events, and announcements to Bursa Malaysia Securities Berhad relating to the Group.</p> <p>The Board has also created an investor relation section on the Company's website at <a href="http://www.citaglobal.my">www.citaglobal.my</a> for information on corporate, financial, corporate governance and stock prices, which is accessible to the public.</p> <p>Besides, the Annual General Meeting ("AGM") remains a principal forum used by the Company for communication with its shareholders. The Board will also ensure that each item of special business that is included in the notice of AGM is accompanied by a full written explanation of that resolution and its effects to facilitate its understanding and evaluation.</p> <p>The AGM provides an opportunity for the shareholders to seek and clarify any issues on the resolutions being proposed and also matters relating to the performance, developments within and the future direction of the Group. Shareholders are encouraged to actively participate in the question and answer session. The Board, Key Senior Management and the External Auditors will be present to answer and provide appropriate clarifications at the AGM.</p>

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



**Intended Outcome**

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

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

**Practice 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The notice of the Annual General Meeting (“AGM”) is despatched to shareholders at least 28 days before the AGM.</p> <p>The Notice for convening the 17<sup>th</sup> AGM of the Company which was held on 31 May 2022 was sent to the shareholders on 29 April 2022, which is more than 28 days before the date of the AGM.</p> <p>The forthcoming 18<sup>th</sup> AGM of the Company is scheduled to be held on 30 May 2023. The notice for convening the 18<sup>th</sup> AGM has been sent out to the shareholders on 28 April 2023, which is more than 28 days before the date of the AGM.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>All Directors will attend General Meetings and will take any relevant questions addressed to them unless unforeseen circumstances preclude them from attending General Meetings.</p> <p>During the 17<sup>th</sup> Annual General Meeting (“<b>AGM</b>”) and Extraordinary General Meeting (“<b>EGM</b>”) held on 31 May 2022, all the Directors attended both the AGM and EGM.</p> <p>The Chairman of the Audit Committee and the Nomination and Remuneration Committee were present remotely via video-conferencing to address questions from shareholders in respect of matters that fall under the purview of the Board Committees.</p> <p>In addition to the above, members of the Key Senior Management and External Auditors of the Company have also attended and will continue to attend the AGM to respond to the shareholders’ queries.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.3**

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The 17<sup>th</sup> Annual General Meeting (“<b>AGM</b>”) and EGM of the Company held on 31 May 2022 respectively were conducted on a fully virtual basis via remote participation and electronic voting facilities hosted on Securities Services e-Portal.</p> <p>The shareholders were able to register for remote participation and submit proxy forms electronically, attend and participate in the 17<sup>th</sup> AGM and EGM remotely via live streaming, and vote online remotely on the resolutions tabled at the 17<sup>th</sup> AGM and EGM.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The 17 <sup>th</sup> Annual General Meeting and EGM held on 31 May 2022 respectively were held on a fully virtual basis via remote participation and electronic voting facilities hosted on Securities Services e-Portal.  The shareholders were allowed to submit their questions electronically through the online platform provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal at <a href="https://sshsb.net.my/">https://sshsb.net.my/</a> prior to the AGM and the EGM, or used the query box to transmit questions to the Board of Directors via Remote Participation and Voting (“RPV”) facilities during live streaming of the AGM and the EGM.  The Chairman of the meeting had also informed the shareholders during the live streaming of the AGM and EGM on 31 May 2022 that they could submit their questions and comments to the Board during the AGM and EGM via the RPV facilities; and the answers to all the questions were addressed accordingly before the commencement of the poll voting.  Shareholders were given sufficient opportunity to pose their questions before the AGM and EGM, as well as during the AGM and EGM. The Company had ensured that all the questions were answered.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:

<b>Timeframe</b>	:		
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### Intended Outcome

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

### Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: In view of the Covid-19 pandemic, the 17 <sup>th</sup> Annual General Meeting and EGM held on 31 May 2022 were virtual meetings.  The Remote Participation and Voting (RPV) facilities are hosted on Securities Services e-Portal at <a href="https://sshsb.net.my/">https://sshsb.net.my/</a> provided by SS E Solutions Sdn. Bhd. allowed shareholders to pose questions to the Board and Chairman of the AGM via typed text in the query box. The shareholders submitted their questions at any time from the day of notice of the AGM and up to the time when the meeting was in progress.  The Chairman shared at the AGMs questions submitted by Minority Shareholders Watch Group. The questions and the corresponding replies were also read out by the Group Chief Executive Officer during the AGM.  At the “Questions and Answers” session in the meeting agenda, the Securities Services e-Portal platform had the facilities to live broadcast the questions/remarks and answers; and the shareholders had experienced real time interaction with the Board during the AGM and EGM.  There was active participation by the shareholders with questions. The questions and answers were subsequently posted on the website of the Company.
<b>Explanation for departure</b>	:  

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

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



**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Minutes of the 17th AGM (including the questions raised by shareholders and MSWG together with the responses by the Company and outcome of the voting results) are made available to the shareholders within 30 business days after the 17th AGM at the Company's website at <a href="http://www.citaglobal.my">www.citaglobal.my</a> .
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

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

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

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